

SENATE

WEDNESDAY, MAY 1, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. C. Leslie Glenn, rector, St. John's Church, Washington, D. C., offered the following prayer:

Almighty God, who alone gavest us the breath of life, and alone canst keep alive in us the holy desires Thou dost impart, we beseech Thee, for Thy compassion's sake, to sanctify all our thoughts and endeavors that we may neither begin an action without a pure intention nor continue it without Thy blessing. And grant that, having the eyes of the mind opened to behold things invisible and unseen, we may in heart be inspired by Thy wisdom, and in work be upheld by Thy strength, and in the end be accepted of Thee as Thy faithful servants. Through Jesus Christ our Saviour. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, April 30, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—
APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on April 30, 1946, the President had approved and signed the act (S. 1610) for the rehabilitation of the Philippines.

MESSAGE FROM THE HOUSE—ENROLLED
BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2) to provide Federal aid for the development of public airports, and it was signed by the President pro tempore.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT OF AMERICAN NATIONAL THEATER AND
ACADEMY

A letter from the secretary of the American National Theater and Academy, transmitting, pursuant to law, the annual report of that Academy for the year 1945 (with an accompanying report); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

REDUCTION OF NONESSENTIAL FEDERAL
EXPENDITURES—REPORT ON POSSIBLE
FIELDS OF REORGANIZATION IN THE
EXECUTIVE BRANCH (S. DOC. NO. 178)

The PRESIDENT pro tempore laid before the Senate a letter from Mr. BYRD, chairman of the Joint Committee on Reduction of Nonesential Federal Expenditures, transmitting, pursuant to law, an additional report of the joint committee on the subject of possible fields of reorganization in the executive branch, which was referred to the Committee on Appropriations.

Mr. BYRD. Mr. President, shortly before the reorganization bill was passed by the Congress last fall President Truman asked me for some suggestions relative to reorganization in the executive branch of the Federal Government. In reply I presented this memorandum to him personally last November. It is based upon detailed studies made by the Joint Committee on Reduction of Nonesential Federal Expenditures. It shows the organizational status of the executive branch in the immediate postwar period and contains a plan consisting of four phases or steps for reorganization. I believe this report will be of inestimable value to the Members of Congress and others interested in reorganization in the near future. I ask unanimous consent that the report may be printed as a Senate document.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PETITIONS

The PRESIDENT pro tempore laid before the Senate the following petitions, which were referred, as indicated:

Petitions of sundry citizens of the United States praying for the enactment of legislation to continue the Office of Price Administration; to the Committee on Banking and Currency.

A letter in the nature of a petition from Torros Tuber Martinez, of Rio Piedras, P. R., praying for the appointment of Hon. Jesús T. Piñero as Governor of Puerto Rico; to the Committee on Territories and Insular Affairs.

PERSONNEL NEEDS OF MILITARY
FORCES—STATEMENT BY ALBERT S.
GOSS

Mr. CAPPER. Mr. President, I ask unanimous consent to present and to have printed in the RECORD a statement made by Albert S. Goss, master of the National Grange, with respect to the personnel needs of our military forces. This statement appeared in the May issue of the Farm Journal, and in it Mr. Goss makes three proposals for the maintenance of our armed forces on a voluntary basis. I believe his remarks merit our consideration.

There being no objection, the statement was received and ordered to be printed in the RECORD, as follows:

"What is needed," says Albert S. Goss, master of the National Grange, in a statement to Farm Journal, "is for Congress to determine the size of the Military Estab-

lishment we want to maintain, then authorize its maintenance on a voluntary basis."

Mr. Goss proposes three changes:

"1. A rate of pay which would permit an ambitious young man to save enough to give him a start in life—one competitive with existing wage levels.

"2. An extension of vocational educational facilities so that a graduate will be well equipped to enter civilian life. If military service provided an opportunity for young men to get an education they could not otherwise obtain, there would be no lack of ambitious, capable young men to fill the ranks, and the quality of peacetime military personnel would be improved.

"3. Effective reform in the officers' caste system, which has been the subject of so much criticism by patriotic, self-respecting young men who have been made the victims of personal abuse, and who have protested at the favoritism and inefficiency which has thrived under military custom.

"Every effort must be made to prevent war," Mr. Goss said, "but it must be recognized that defense is a means of prevention. Modern warfare requires a highly trained, technical army. To get such an army by voluntary enlistment, service in the armed forces must be attractive, and a good preparation for civilian life."

BONUS FOR WHEAT PRODUCTION

Mr. LANGER. Mr. President, on Friday last I introduced Senate bill 2118, to provide for the payment of a bonus of 30 cents per bushel on wheat produced and sold between January 1, 1945, and April 18, 1946. Today I received a letter from the secretary of agriculture of the State of North Dakota, Mr. Math Dahl, which I wish to read. The letter is as follows:

STATE OF NORTH DAKOTA,
COMMISSIONER OF AGRICULTURE AND LABOR,
Bismarck, April 29, 1946.
HON. WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SENATOR LANGER: On behalf of the farmers of North Dakota, I want to highly commend you for your efforts to see that justice is done with regard to the so-called 30-cent bonus which the Government is now offering to pay for wheat to be delivered by the farmers to the local elevators for the destitute nations.

The fact that you have introduced a bill to make this payment of 30 cents per bushel retroactive for all the wheat that was produced in 1945, I think, is highly commendable and also justifiable from a standpoint of fairness to the farmers. The farmers that sold their wheat last fall and in the early months of 1946 are just as patriotic as those that held onto their wheat and are now receiving the benefit of this bonus payment.

The fact in the case is that this 30-cent bonus that is now offered is only bringing the commodity up to where it ought to have been last fall when the farmers sold most of their grain. The price of wheat in relation to other commodities and the price of bread at retail should have been at \$1.90 to \$2.05.

The Government ceiling under OPA regulations at \$1.45 and \$1.50 per bushel deprived the farmer of receiving a just price for his commodity and, under the bonus provisions which they are offering, in my opinion, appears that this is a black-market proposition, since they are offering the 30-cent bonus and the ceiling still remains at \$1.50 per bushel. Certainly, there can be no justice in the program as proposed unless they are willing to adjust it and pay the same price for all the wheat produced by the

farmer and marketed for the season of 1945, as well as what is being marketed now.

I trust that you will do everything in your power to see that this bill will be passed by Congress, to the end that the wheat farmer of this Nation, in this particular case, will receive justice from the hands of the Government, and I assure you that anything that this department can do in order to help we will be more than glad to do.

Again let me, on behalf of the farmers of North Dakota, compliment you on your stand in this matter.

Very sincerely yours,

MATH DAHL,
Commissioner.

I might say, Mr. President, that the bill which I introduced is somewhat similar to a bill which was introduced by the Senator from Nebraska [Mr. BUTLER], which, I believe, also to be an important measure.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MCCARRAN, from the Committee on the Judiciary:

S. 1893. A bill to amend the act entitled "An act to incorporate the American Legion," approved September 16, 1919, as amended October 29, 1942, so as to extend membership eligibility therein to certain persons; with amendments (Rept. No. 1268).

By Mr. GREEN, from the Committee on Privileges and Elections:

H. R. 1118. A bill to amend the Hatch Act; without amendment (Rept. No. 1269); and

H. R. 1497. A bill to amend subsection 9 (a) of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended; without amendment (Rept. No. 1270).

By Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs:

S. 437. A bill for the relief of W. S. Burleson; without amendment (Rept. No. 1271).

CIVILIAN EMPLOYMENT OF EXECUTIVE BRANCH—REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

Mr. BYRD. Mr. President, according to Federal personnel reports submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures during the month of March, the trend continued in which reductions in the war agencies were offset by increases in the old-line establishments. Thus, although total employment, both continental and abroad, decreased 48,164 from the February total of 2,921,673 to the March total of 2,873,509, actually if the War and Navy Departments and the national war agencies were excluded from the total, personnel increased 34,078 during the months.

Within the United States this trend is most apparent. Total personnel inside the United States decreased 24,106 from the February figure of 2,406,227 to the March figure of 2,382,121, but exclusive of War and Navy Departments and the national war agencies, the remaining 41 agencies had a net increase of 34,297 during the month. Within this group, 24 agencies increased their personnel during the month and 14 effected reductions. Three show no change. The agencies which had the largest increases were Veterans' Administration with 18,224, Post Office with 7,471, Reconstruction Finance Corporation with

3,583, Treasury Department with 2,326, Interior Department with 1,412, and Commerce Department with 1,034.

The War and Navy Departments effected a reduction of 57,161 within the continental United States and a net reduction of 23,786 outside the continental United States. Included in this reduction are 58,469 industrial employees formerly engaged in direct war production. The remaining war agencies released 1,295 employees.

Yesterday I submitted to the Congress a postwar Federal personnel report, covering the 5-month period following VJ-day. At that time I pointed out that since VJ-day, exclusive of War and Navy Departments, the old-line establishments had increased 86,822. I now wish to call your attention to the fact that during February these agencies had an increase of 32,059 and during March 34,078, making a total increase of 152,959. This increase in personnel substantiates my past belief that the trend of offsetting reductions in the war agencies with increases in the old-line establishments cannot be lightly dismissed. Public statements by authorized officials as to planned reductions in Federal employment further substantiate the fact that the old-line agencies, most of which were geared to the war effort, instead of releasing such employees, are constantly increasing their personnel. Though the Federal pay roll may be but a small portion of our annual expenditures, its reduction would be an indication that a balanced budget is planned by the President and Congress.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD a report on civilian employment of the executive branch of the Federal Government by department and agency for the months of February and March 1946, showing increases and decreases in number of paid employees. The report was prepared by the Joint Committee on Reduction of Nonessential Federal Expenditures.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH, MARCH 1946, AND A COMPARISON WITH FEBRUARY 1946

(All figures compiled from reports signed by the heads of Federal establishments or their authorized representatives)

According to monthly personnel reports submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures, Federal personnel within the continental United States during March decreased 24,106 from a total of 2,406,227 in February 1946 to 2,382,121 in March. Excluding the War and Navy Departments, personnel increased 33,055 from the February total of 1,135,674 to the March total of 1,168,729. The War Department inside the United States decreased 24,487 from the February figure of 746,184 to the March figure of 721,697. The Navy Department within the United States decreased 32,674 from the February figure of 524,369 to the March figure of 491,695. (See table I.)

Outside the continental United States Federal personnel decreased 24,058 from the February 1946 total of 515,446 to the March total of 491,388. Nearly all of these are industrial employees. War Department figures are reported for the months of January and Feb-

ruary. Excluding a decrease of 25,105 in the War Department civilian personnel overseas, of which 24,976 were industrial workers, there would be an increase of 1,047 employees from the February figure of 122,314 to the March figure of 123,361. (See table II.)

Inside and outside United States there has been a total decrease of 48,164 employees in the executive branch of the Federal Government during the month of March, over-all totals decreasing from the February total of 2,921,673 to the March total of 2,873,509. Excluding the War and Navy Departments, there was an increase of 32,783. (See table III.)

Industrial employment during the month of March decreased 59,920 from the February total of 1,175,084 to the March total of 1,115,164. Largest decreases were in the War Department, with a reduction of 35,350, of which 24,976 were inside the United States, and the Navy Department, with a reduction of 23,119. The term "industrial employees," as used by the committee, refers to unskilled, semi-skilled, and supervisory employees paid by the Federal Government who are working on construction projects, such as airfields and roads, and in munition plants, shipyards, and arsenals. It does not include regular maintenance and custodial employees. (See table IV.)

TABLE I.—Federal personnel inside continental United States employed by executive agencies during March 1946, and comparison with February

Departments or agencies	1946		Increase (+) or decrease (-)
	Febru- ary	March	
EXECUTIVE OFFICE OF THE PRESIDENT			
Bureau of the Budget.....	757	775	+18
EXECUTIVE DEPARTMENTS			
Agriculture Department.....	86,000	84,584	-1,416
Commerce Department.....	31,955	32,989	+1,034
Interior Department.....	40,456	41,868	+1,412
Justice Department.....	25,015	24,694	-321
Labor Department.....	34,081	34,336	+255
Post Office Department.....	462,150	469,621	+7,471
State Department.....	8,136	8,147	+11
Treasury Department.....	104,885	107,211	+2,326
NATIONAL WAR AGENCIES			
Civilian Production Ad- ministration.....	2,443	2,516	+73
Committee on Fair Em- ployment Practices.....	35	33	-2
National Wage Stabiliza- tion Board.....	861	821	-40
Office of Alien Property Custodian.....	598	631	+33
Office of Defense Trans- portation.....	145	131	-14
Office of Economic Stabili- zation.....	0	25	+25
Office of Inter-American Affairs.....	395	396	+1
Office of Price Administra- tion.....	31,911	31,969	+58
Office of Scientific Re- search and Development.....	791	749	-42
Office of War Mobilization and Reconversion.....	649	1,670	+1,021
Petroleum Administration for War.....	84	66	-18
Selective Service System.....	15,739	15,328	-411
War Shipping Administra- tion.....	4,231	3,305	-926
INDEPENDENT AGENCIES			
American Battle Monu- ments Commission.....	1	1	-----
Civil Aeronautics Board.....	407	401	-6
Civil Service Commission.....	4,576	4,330	-246
Employees' Compensation Commission.....	522	525	+3
Export-Import Bank of Washington.....	93	96	+3
Federal Communications Commission.....	1,199	1,264	+65

¹Includes 481 employees of Surplus Property Administration transferred to War Assets Administration as of Mar. 26, 1946.

TABLE I.—Federal personnel inside continental United States employed by executive agencies during March 1946, and comparison with February—Continued

Departments or agencies	1946		Increase (+) or decrease (-)
	Febru- ary	March	
INDEPENDENT AGENCIES— continued			
Federal Deposit Insurance Corporation.....	217	1,208	-9
Federal Power Commis- sion.....	720	727	+7
Federal Security Agency.....	30,947	31,320	+373
Federal Trade Commis- sion.....	492	492	-
Federal Works Agency.....	21,902	22,205	+303
General Accounting Office.....	14,641	14,674	+33
Government Printing Of- fice.....	7,322	7,307	-15
Interstate Commerce Com- mission.....	2,167	2,188	+21
Maritime Commission.....	7,762	8,597	+835
National Advisory Com- mittee for Aeronautics.....	5,476	5,383	-93
National Archives.....	358	353	-5
National Capital Housing Authority.....	267	265	-2
National Capital Park and Planning Commission.....	16	15	-1
National Gallery of Art.....	280	279	-1
National Housing Agency.....	14,678	14,929	+251
National Labor Relations Board.....	893	910	+17
National Mediation Board.....	99	105	+6
Panama Canal.....	280	288	+8
Railroad Retirement Board.....	1,914	1,964	+50
Reconstruction Finance Corporation.....	35,298	38,881	+3,583
Securities and Exchange Commission.....	1,216	1,209	-7
Smithsonian Institution.....	416	423	+7
Tariff Commission.....	256	248	-8
Tax Court of the United States.....	121	121	-
Tennessee Valley Author- ity.....	11,529	11,670	+141
Veterans' Administration.....	117,292	135,516	+18,224
Total, excluding War and Navy Departments.....	1,135,674	1,168,729	+33,055 (-3,605)
Net increase, exclud- ing War and Navy Departments.....			+33,055
Navy Department.....	524,369	491,695	-32,674
War Department.....	746,184	721,697	-24,487
Total, including War and Navy Departments.....	2,406,227	2,382,121	-24,106 (+36,660)
Net decrease, includ- ing War and Navy Departments.....			-24,106

* Estimated. Includes 27,426 Reconstruction Finance Corporation employees transferred to War Assets Administration as of Mar. 26, 1946.

TABLE II.—Federal personnel outside continental United States employed by executive agencies during March 1946, and comparison with February.

Departments or agencies	1946		Increase (+) or decrease (-)
	Febru- ary	March	
EXECUTIVE DEPARTMENTS			
Agriculture Department.....	1,323	1,281	-42
Commerce Department.....	1,913	1,937	+24
Interior Department.....	4,301	4,301	-----
Justice Department.....	307	305	-2
Labor Department.....	147	150	+3
Post Office Department.....	1,478	1,441	-37
State Department.....	11,797	11,654	-143
Treasury Department.....	628	643	+15
NATIONAL WAR AGENCIES			
Civilian Production Ad- ministration.....	4	5	+1
National Wage Stabiliza- tion.....	2	1	-1

TABLE II.—Federal personnel outside continental United States employed by executive agencies during March 1946, and comparison with February—Continued

Departments or agencies	1946		Increase (+) or decrease (-)
	Febru- ary	March	
NATIONAL WAR AGENCIES— continued			
Office of Alien Property Custodian.....	39	40	+1
Office of Inter-American Affairs.....	224	227	+3
Office of Price Adminis- tration.....	424	408	-16
Office of Scientific Re- search and Develop- ment.....	3	0	-3
Selective Service System.....	328	322	-6
War Shipping Adminis- tration.....	754	722	-32
INDEPENDENT AGENCY:			
American Battle Monu- ments Commission.....	37	37	-----
Civil Aeronautics Board.....	10	9	-1
Civil Service Commission.....	5	5	-----
Employees Compensation Commission.....	39	41	+2
Export-Import Bank of Washington.....	2	0	-2
Federal Communications Commission.....	53	54	+1
Federal Deposit Insurance Corporation.....	2	2	-----
Federal Security Agency.....	461	486	+25
Federal Works Agency.....	282	291	+9
Maritime Commission.....	18	18	-----
National Housing Agency.....	32	31	-1
National Labor Relations Board.....	3	4	+1
Panama Canal.....	28,596	28,399	-197
Reconstruction Finance Corporation.....	235	235	-----
Smithsonian Institution.....	8	7	-1
Veterans' Administration.....	372	499	+127
Total, excluding War and Navy Departments.....	53,827	53,555	{ -484 +212
Net decrease, ex- cluding War and Navy Depart- ments.....			-272
Navy Department.....	68,487	69,806	+1,319
War Department.....	393,132	368,027	-25,105
Total, including War and Navy Departments.....	515,446	491,388	{ -25,589 +1,531
Net decrease, in- cluding War and Navy Depart- ments.....			-24,058

* Estimated.

* Figures as of Jan. 31, 1946.

* Figures as of Feb. 28, 1946.

TABLE III.—Consolidated table of Federal personnel inside and outside continental United States employed by executive agencies during March 1946, and comparison with February

Departments or agencies	1946		Increase (+) or decrease (-)
	Febru- ary	March	
EXECUTIVE OFFICE OF THE PRESIDENT			
Bureau of the Budget.....	757	775	+18
EXECUTIVE DEPARTMENTS			
Agriculture Department....	87,323	85,865	-1,458
Commerce Department.....	33,868	34,926	+1,058
Interior Department.....	44,757	46,169	+1,412
Justice Department.....	25,322	24,999	-323
Labor Department.....	34,228	34,486	+258
Post Office Department....	463,628	471,062	+7,434
State Department.....	19,933	19,801	-132
Treasury Department.....	105,513	107,854	+2,341

TABLE III.—Consolidated table of Federal personnel inside and outside continental United States employed by executive agencies during March 1946, and comparison with February—Continued

Departments of agencies	1946		Increase (+) or decrease (—)
	Febru- ary	March	
NATIONAL WAR AGENCIES			
Civilian Production Administration.....	2,447	2,521	+74
Committee on Fair Employment Practices.....	35	33	—2
National Wage Stabilization Board.....	863	822	—41
Office of Alien Property Custodian.....	637	671	+34
Office of Defense Transportation.....	145	131	—14
Office of Economic Stabilization.....	0	25	+25
Office of Inter-American Affairs.....	619	623	+4
Office of Price Administration.....	32,335	32,377	+42
Office of Scientific Research and Development.....	794	749	—45
Office of War Mobilization and Reconversion.....	649	1,670	+1,021
Petroleum Administration for War.....	84	66	—18
Selective Service System.....	16,067	15,650	—417
War Shipping Administration.....	4,985	4,027	—958
INDEPENDENT AGENCIES			
American Battle Monuments Commission.....	38	38	—
Civil Aeronautics Board.....	417	410	—7
Civil Service Commission.....	4,581	4,335	—246
Employees' Compensation Commission.....	561	566	+5
Export-Import Bank of Washington.....	95	96	+1
Federal Communications Commission.....	1,252	1,318	+66
Federal Deposit Insurance Corporation.....	1,219	1,210	—9
Federal Power Commission.....	720	727	+7
Federal Security Agency.....	31,408	31,806	+398
Federal Trade Commission.....	492	492	—
Federal Works Agency.....	22,184	22,496	+312
General Accounting Office.....	14,641	14,674	+33
Government Printing Office.....	7,322	7,307	—15
Interstate Commerce Commission.....	2,167	2,188	+21
Maritime Commission.....	7,780	8,615	+835
National Advisory Committee for Aeronautics.....	5,476	5,383	—93
National Archives.....	358	353	—5
National Capital Housing Authority.....	267	265	—2
National Capital Park and Planning Commission.....	16	15	—1
National Gallery of Art.....	280	279	—1
National Housing Agency.....	14,710	14,960	+250
National Labor Relations Board.....	896	914	+18
National Mediation Board.....	99	105	+6
Panama Canal.....	28,876	28,657	—219
Railroad Retirement Board.....	1,914	1,964	+50
Reconstruction Finance Corporation.....	35,533	39,116	+3,583
Securities and Exchange Commission.....	1,216	1,209	—7
Smithsonian Institution.....	424	430	+6
Tariff Commission.....	256	248	—8
Tax Court of the United States.....	121	121	—
Tennessee Valley Authority.....	11,529	11,670	+141
Veterans' Administration.....	117,664	135,015	+17,351
Total, excluding War and Navy Departments.....	1,189,501	1,222,284	+32,783
Net increase, excluding War and Navy Departments.....			+32,783
Navy Department, inside and outside United States.....	592,856	561,501	—31,355
¹ Includes 481 employees of Surplus Property Administration transferred to War Assets Administration as of Mar. 26, 1946.			
² Estimated. Includes 27,426 Reconstruction Finance Corporation employees transferred to War Assets Administration as of Mar. 26, 1946.			

TABLE III.—Consolidated table of Federal personnel inside and outside continental United States employed by executive agencies during March 1946, and comparison with February—Continued

Departments or agencies	1946		Increase (+) or decrease (-)
	February	March	
INDEPENDENT AGENCIES—continued			
War Department, inside continental United States	746,184	721,697	-24,487
War Department, outside continental United States	393,132	368,027	-25,105
Total, including War and Navy Departments	2,921,673	2,873,509	-48,164
Net decrease, including War and Navy Departments			-48,164

TABLE IV.—Industrial employees¹ of Federal Government, inside and outside the continental United States, employed by executive agencies during March 1946, and comparison with February

[These employees are included in above tables]

Departments or agencies	1946		Increase (+) or decrease (-)
	February	March	
EXECUTIVE DEPARTMENTS			
Commerce Department	887	940	+53
Interior Department	4,182	4,405	+223
State Department	193	218	+25
Treasury Department	7,178	6,421	-757
INDEPENDENT AGENCIES			
National Housing Agency	756	752	-4
Panama Canal	2,909	2,929	+20
Tennessee Valley Authority	5,073	5,122	+49
Total, excluding War and Navy Departments	21,238	20,787	-451
Net decrease, excluding War and Navy Departments			-451
Navy Department, inside and outside United States	425,682	402,563	-23,119
War Department, inside continental United States	346,642	336,268	-10,374
War Department, outside continental United States	2,381,522	2,356,546	-24,976
Total, including War and Navy Departments	1,175,084	1,116,164	-58,920
Net decrease, including War and Navy Departments			-58,920

¹ Industrial employees include unskilled, semiskilled, skilled, and supervisory employees on construction projects. Maintenance and custodial workers are not included.

² Figures as of Jan. 31, 1946.

³ Figures as of Feb. 28, 1946.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MAGNUSON:

S. 2136. A bill for the relief of Charles Drake; to the Committee on Claims.

By Mr. BUTLER:

S. 2137. A bill to amend title II of the Social Security Act, as amended, to give credits under the Federal old-age and survivors insurance provisions of that act for military service, and for other purposes; to the Committee on Finance.

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UNIFICATION OF ARMED FORCES—ADDRESS BY SENATOR HILL

[Mr. HILL asked and obtained leave to have printed in the RECORD a radio address entitled "Unification of Our Armed Forces," delivered by him on April 26, 1946, which appears in the Appendix.]

DEFINITION OF A LIBERAL BY SENATOR BALL

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article by Gould Lincoln, from the Evening Star of April 30, 1946, referring to the address delivered by Senator BALL at the Syracuse University on the occasion of the degree of doctor of laws being conferred on him, which appears in the Appendix.]

SHORTAGE OF OFFICE SPACE IN CALIFORNIA FOR RETURNING VETERANS

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD a letter written by him to Mr. Harold D. Smith, Director, Bureau of the Budget, and a reply thereto from Mr. W. E. Reynolds, Commissioner of Public Buildings, on the subject of the shortage of office space for returning servicemen, which appear in the Appendix.]

TAXING FARMER COOPERATIVES

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD an editorial from the Fairmont (Minn.) Daily Sentinel, headed "This Will Make Someone Mad," and a letter addressed to him by the Minnesota Small Business and Employees' Committee, relating to the taxing of farmer cooperatives, which appear in the Appendix.]

PRESERVATION OF BIRTHPLACE OF PRESIDENT ANDREW JOHNSON AT RALEIGH, N. C.

[Mr. HOEY asked and obtained leave to have printed in the RECORD Senate Joint Resolution 154, introduced by him on April 18, 1946, to establish the Andrew Johnson Memorial Commission to formulate plans for the preservation of President Johnson's birthplace at Raleigh, N. C., and an editorial from the Raleigh News and Observer entitled "Belated Recognition," which appear in the Appendix.]

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. MCFARLAND].

Mr. BROOKS obtained the floor.

Mr. BUSHFIELD. Mr. President, will the Senator from Illinois yield?

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from South Dakota?

Mr. BROOKS. I yield.

Mr. BUSHFIELD. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Buck	Downey
Austin	Bushfield	Eastland
Ball	Butler	Ellender
Bankhead	Byrd	Ferguson
Barkley	Capehart	Fulbright
Brewster	Capper	Gerry
Bridges	Carville	Green
Briggs	Cordon	Guffey
Brooks	Donnell	Gurney

Hart	McMahon	Saltonstall
Hatch	Magnuson	Shipstead
Hawkes	Maybank	Smith
Hayden	Mead	Stanfill
Hickenlooper	Millikin	Stewart
Hill	Mitchell	Taft
Hoey	Moore	Taylor
Johnson, Colo.	Murdock	Thomas, Okla.
Johnston, S. C.	Murray	Tunnell
Kilgore	Myers	Tydings
Knowland	O'Daniel	Wagner
La Follette	O'Mahoney	Walsh
Langer	Pepper	Wheeler
Lucas	Radcliffe	Wherry
McCarran	Reed	Wiley
McClellan	Revercomb	Willis
McFarland	Robertson	Wilson
McKellar	Russell	Young

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Mississippi [Mr. BELBO], the Senator from Georgia [Mr. GEORGE], the Senator from Idaho [Mr. GOSSETT], the Senator from Louisiana [Mr. OVERTON], and the Senator from Utah [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ] is detained on public business.

The Senator from Ohio [Mr. HUFFMAN] is absent because of a death in his family.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Oregon [Mr. MORSE] is necessarily absent.

The PRESIDENT pro tempore. Eighty-one Senators have answered to their names. A quorum is present.

Mr. BROOKS. Mr. President, I intend to state my position with respect to the proposed loan to Great Britain, and for the sake of continuity I ask that I not be interrupted until I shall have concluded, and then I shall be delighted to answer any questions which may be asked.

I am opposed to the loan of \$3,750,000,000 to Great Britain for many reasons.

It was not presented to the British Parliament on its own merits, and it is not so presented to the American Congress.

It was presented there and is presented now in conjunction with the agreement finally settling all lease-lend accounts between the United States and Great Britain whereby we forgive approximately \$25,000,000,000 of lease-lend for practically nothing, and

It is presented in conjunction with a proposed future program of commercial policy declaration which is full of evasive promises.

In short, we forgive approximately \$25,000,000,000 lend-lease debt and give up \$3,750,000,000 fresh American dollars and get future promises full of escape clauses and loopholes.

When the discussion about this loan originated last summer, the British press and the British negotiators frankly and honestly stated they did not want a loan—they could not pay back a loan—they wanted a grant-in-aid or another gift or at least an interest-free loan over a long period of time.

The late Lord Keynes, principal British negotiator, frankly expressed their position. He arrived here in September 1945, and he said he was here to make some kind of an arrangement to settle lend-lease and find some way to help England struggle out of her economic difficulties. But there was one thing he wanted to make plain to us. That was that Britain could not afford to make a commercial loan in this country. He said:

No doubt an easy course would be for you to offer, and for us to put our name to a substantial loan on more or less commercial terms, without either party to the transaction troubling to pay too much attention to the question of the likelihood of our being able to fulfill the obligations which we were undertaking. However, this may be, we shall not lend ourselves to any such soft and deceptive expedient. We are not in the mood, and we believe and hope that you are not in the mood, to repeat the experiences of last time's war debt. We would far rather do what we can to get on as best we can on any other lines which are open to us.

Nevertheless, our negotiators insisted that England accept a loan of \$3,750,000,000 at 1.62 percent interest over a 55-year period, even though we will have to borrow this money from the American people through the sale of additional bonds, or use money that we have already borrowed from the American people, paying at least 2½ percent interest. The agreement provides that the interest from Britain does not start for 5 years, and then any time the United Kingdom decides that the exchange conditions are not favorable they can request a waiver and the United States must grant it. There is no provision, however, that the American people will not have to pay the 2½ percent interest every year and the principal, too, in the event of a British default.

The British could not pay a \$4,000,000,000 debt after the last war. They themselves tell us they cannot pay it now. And still our negotiators insisted on calling it a loan and demanded that the British accept it as such.

I am opposed to this loan because I am confident that it will prove to be a gift, and the language and form of the agreement is subterfuge to deceive the American people and to make it easier for those whose interests are largely concerned with foreign trade to secure its approval by the American Congress.

The British believe that the \$4,000,000,000 they spent for munitions of war before we established lend-lease should be paid back to them now in the form of a gift. They frankly stated so and asked for this amount as a gift or a "grant-in-aid."

I am opposed to it because it is a part of several agreements, one of which wipes out our contribution of more than 25,000,000,000 American dollars without securing a single additional island base for our Navy or Air Corps for our own

protection and the peace of the world in the future—because we give all surplus property and all construction and installations located in the United Kingdom, without acquiring any permanent rights in air ports built by American blood and money throughout the British Empire to aid our future civilian commerce as we struggle to pay the debt caused by our enormous contribution to the winning of the war throughout the world.

I am opposed to any loan to any foreign government of billions of dollars at 1.62 percent interest as long as we charge all veterans of our own country, including our badly wounded men, 4 percent on the money we loan them to establish their homes when they return and give them no waiver of interest and no consultation clauses to adjust the payment of the principal.

I am opposed to it because we are loaning it to the Government of Great Britain which presently is a Socialistic experiment in the hands of a party headed by Harold Laski who blithely denounces our form of government and economy at the very time when we are struggling to sustain our system of private enterprise under a truly republican representative form of government.

I am opposed to this gift of \$3,750,000,000 of the American people's money under the guise of a loan that has no collateral, knowing full well that it is only the forerunner of additional huge loans to Russia, China, France, the Netherlands, and other nations.

We have already made a loan to Great Britain through the Reconstruction Finance Corporation.

We have committed ourselves to the extent of \$2,700,000,000 for UNRRA.

We have extended the credit capacity of the Export-Import Bank to \$3,500,000,000.

We have committed our country to contribute \$5,925,000,000 to the Bretton Woods Fund and Bank.

We have authorized vast changes in our Export-Import status through the reciprocal trade agreements.

I am opposed to any vast loans or gifts to any foreign countries until the administration tells the people honestly and exactly how many demands or requests it has received up to date and presents a balance sheet to show the American people just what our foreign commitments really are and what additional burden each gift or so-called loan will place on our already heavily strained economy.

I am opposed to lending billions of dollars of American citizens' money to the nations of the world to invite them to come into our already crowded market to compete with our own people for scarce goods at this time. Even our returned war veterans cannot find shirts, clothes, or homes. Our reconversion program is blocked by the bungling practices of OPA and other Government bodies clinging with a death grip onto their wartime controls and restrictions. Black markets are already flourishing throughout the country, and now the administration seeks to put billions of dollars of American money in the hands of foreign governments to further crowd

our market and continue these drastic wartime controls at home and to support socialistic systems abroad.

I am opposed to any series of world-wide gifts or loans that play a part of the Lord Keynes and the American New Deal plan for a world-wide WPA project that will lower our American standards of living at a time when we are beset with strikes in which Americans are demanding an even higher standard of living.

This gift-loan scheme is an outgrowth of the spend-and-tax program which Lord Keynes sold to the United States back in the middle thirties.

The late Lord Keynes was simply Mr. Keynes when he came to this country in the middle thirties and introduced to our administration the scientific theory of mass spending and deficit financing by the Government. Up to that time, our Government had been spending money in a desperate effort to stem the depression and on the theory that they were "priming the pump." It was not, of course, working, and in 1937, when President Roosevelt began to talk about once again balancing the Budget and actually attempted it, we were treated to what was called a recession. We had seven or eight million people out of work then; the spending was not a success; none of the fundamental defects in our economic system had been corrected; nothing was keeping the administration afloat but the indiscriminate spending of public money borrowed from the banks; and the President decided that he had better taper off the spending, stop the borrowing, and balance the Budget—and down went the New Deal into its recession.

I am sure that at that moment there must have been some troubled hearts among the statesmen in this Chamber and at the other end of Pennsylvania Avenue. Just about that time John Maynard Keynes came here and assured our leading statesmen that the spending they had been doing was all right, that it was not just a "hit and miss" strategy of bewildered politicians, but was actually a profoundly scientific procedure, and that the only trouble with it was that they were not spending and borrowing enough.

And so was born the new theory of the New Deal which appeared among us in 1938 of the permanent deficit—the endless borrowing upon the theory that a government debt is not like a private debt, that we owe it to ourselves, that we need never pay it, and that the interest on it is not a burden because we merely take it out of the right-hand pocket of the people in the form of taxes and put it back into their left-hand pocket in the form of interest.

When Lord Keynes had negotiated this present fantastic grab, he went home to explain his triumph to the House of Lords. He told them he regretted that he could not get the entire amount as an acknowledged gift. He said:

Since our transitory financial difficulties are largely due to the role we played in the war and to the costs we incurred before the United States entered the war, we here in London feel—it is a feeling which I shared and still share to the full—that it might not be asking too much of our American friends

that they should agree to see us through the transition by financial aid which approximated to a grant.

But he said:

The American Congress and the American people have never accepted any literal principle of equal sacrifice, financial or otherwise, between all the Allied participants.

He would have a hard job selling to the boys who stormed the Normandy beach and raced behind Patton clear across France and into Germany the idea that America had never accepted the theory of equal sacrifice.

Concerning the matter of paying interest, he said:

On the matter of interest, I shall never so long as I live cease to regret that this is not an interest-free loan. The charging of interest is out of tune with the underlying realities.

He explained that they had to include at least a pretense of paying interest to appease the Congress. Listen to his words on that subject:

During the whole time that I was in Washington, there was not a single administration measure of the first importance that Congress did not either reject, remodel, or put on one side. Assuming, however, that the principle of charging interest had to be observed, then, in my judgment, almost everything possible has been done to mitigate the burden and to limit the risk of a future dangerous embarrassment. We pay no interest for 6 years. After that we pay no interest in any year in which our exports have not been restored to a level which may be estimated at about 60 percent in excess of prewar. I repeat that. We pay no interest in any year in which our exports have not been restored to a level which may be estimated at about 60 percent in excess of what they were prewar.

Nor was he alone in his explanation. Mr. Dalton, the Chancellor of the Exchequer in the House of Commons, expressed the same view. He said:

I have emphasized, in the common cause of us all, we should receive some form of grant-in-aid, or, failing that, an interest-free loan. This was the proposal made by our representatives in the first stages of the talks, and the reasons in its support were deployed with great wealth of detail and great skill by our spokesmen. But we were told, quite definitely—

And this will interest Members of the Senate—

that this was not practical politics, and that the Congress of the United States would never consent to any such arrangement.

But he said:

I would draw the attention of the House to the fact that the agreement contains a novel and important provision, not previously included in an arrangement of this sort, for a waiver of interest. The annual interest is to be completely canceled in any year in which our exports, visible and invisible, are insufficient to pay for our prewar level of imports, adjustments being made for price changes—on the understanding, naturally, that our reserves also are insufficient to make good the payment. On this last point we are the sole judges.

Mr. Dalton explained that in addition to the provision permitting them to avoid the payment of interest, they had also secured a provision whereby they could, if they thought it necessary, "consult"

about not paying even the principal. He told the House of Commons:

There is no waiver of the principal. But if we feel that any part of the agreement needs hereafter to be modified in the light of events, it is recognized in the text that the United States Government and His Majesty's Government shall consult together.

I add this: "Consult" to them means failure to pay the principal.

Lord Keynes, in urging the House of Lords to accept this so-called loan, said:

Has any country ever treated another country like this, in time of peace, for the purpose of rebuilding the other's strength and restoring its competitive position? If the Americans have tried to meet criticism at home by making the terms look a little less liberal than they really are, so as to preserve the principle of interest, is it necessary for us to be mistaken? The balm and sweet simplicity of no percent is not admitted, but we are not asked to pay interest except in conditions where we can reasonably well afford to do so, and the capital installments are so spread that our minimum obligation in the early years is actually less than it would be with a loan free of interest repayable by equal installments.

He explained that in addition to all the subterfuge and loopholes, they could take our money and they need not spend it in the United States but could spend it anywhere in the world. These are his words:

All the other loans which are being made are tied loans limited to payments for specific purchases from the United States. Our loan, on the other hand, is a loan of money without strings, free to be expended in any part of the world.

I call attention to the fact that since he arrived here in the thirties he has implanted in our State Department and Treasury Department his philosophy of spend and spend and borrow and borrow. Finally he says it is now over. It is their program. I wish to read his words.

He continued and explained that this entire program is the program of our American negotiators, and when the scheme fails to work and Great Britain fails to pay, as they did after the last war, they can say that it was America's fault. I quote him:

Secondly, all the most responsible people in the United States, and particularly in the State Department and in the Treasury, have entirely departed from the high-tariff, export-subsidy conception of things, and will do their utmost with, they believe, the support of public opinion in the opposite direction. That is why this international trade convention presents us with such a tremendous opportunity. For the first time in modern history the United States is going to exert its full powerful influence in the direction of reduction of tariffs, not only of itself but by all others.

Thirdly, this is a problem of which today every economist and publicist in the United States is acutely conscious. Books on economics are scarcely written about anything else. They would regard it as their fault and not ours if they fail to solve it. They would acquit us of blame—quite different from the atmosphere of 10 or 20 years ago. They will consider it their business to find a way out. . . . It will be the problem of the United States and the whole commercial and financial arrangement of every other country.

Do we need more to explain to us that now they have laid the ground work for the day when they will say to us, "It is your fault, and you can keep on loaning us and loaning us and loaning us, because that is the philosophy of your State Department and your Treasury, from now on."

Finally, he explains what will happen to our standard of living if the Congress approves this loan and the principle of abolishing tariffs and protection of our wages and prices, upon which our standard of living depends. He said:

Fifthly—and perhaps this is the consideration which is least prominent in people's minds—the United States is rapidly becoming a high-living and a high-cost country. Their wages are two and a half times ours. These are the historic, classical methods by which, in the long run, international equilibrium will be restored.

In other words, the equilibrium will bring us down, because we are a high-cost and high-living and high-standard country, and our workmen all over this Nation, and in many instances rightfully so, have taken the implements in hand and have said, "We want a higher standard of living." Where will it go, Mr. President, when we open the markets of America to goods produced by people all over the world who have much lower standards of living?

Mr. President, I think we ought to be clear about just what we are getting in for. This agreement, if we conclude it, is a solemn pledge on our part that we will undertake a major operation upon our whole tariff policy.

The old arguments about building up industries and that sort of thing are no longer relevant. Today our Government has set out by law to produce in this country a standard of living very much higher than that which existed before the depression. The administration has announced its intention to assume the responsibility for full employment for the security of every man and woman from the cradle to the grave, and in order to accomplish this it has formulated a program of Government control of industry on the most elaborate scale. This policy has been in the making for a number of years. We are now imposing enormous taxes for these purposes upon our producers. We force old-age and unemployment insurance taxes. We have compensation insurance and factory inspection laws guaranteeing working conditions matched no place else in the world and costing huge sums. We have instituted rules and regulations controlling our banks, our investment institutions, our producing agencies. We have imposed the will of the Government upon the employer-labor world, and that has resulted in higher wages, shorter hours, better working conditions, even the terms and amount of production which have sent and will continue to send the cost of production in America to very high levels. I am not now discussing the wisdom of these things. I merely say they are a fact, and every man in this Chamber knows it.

Mr. President, you know, as well as I do, that we cannot impose these cost and

production elements upon a man in Illinois and not impose them upon a man in Virginia. Both are entitled to compete upon the same level. We recognize that. But does anyone mean to tell me that we are now going to force both the man in Illinois and the man in Virginia to submit to these extensive controls and cost elements and then let some man from India, upon whom we cannot impose these controls, or someone in Britain or France or any other country whom our laws and regulations cannot reach, send his goods in here and compete with the men from Illinois and Virginia? Whether it is right or wrong, wise or unwise, the American people will not permit that to be done; and if an attempt is made to throw down our trade barriers in order to open our markets to a flood of products from these low-income, low-standard, low-cost countries, every manufacturer in America, every trade-union in America, every farmer in America will send representatives to the Capitol to protest, and no one will dare comply with such an agreement.

I know that there are unreasonable trade restrictions which ought to be done away with, but that is not what these men are talking about in this agreement. They are talking about what I have described as a major operation on those tariff arrangements which have for years protected the American standard of living from the competition of countries which pay from 15 cents to \$1 a day to their labor. I do not wish to discuss the entire tariff issue. I merely say that when you promise the people of England that you will undertake to throw down to any considerable degree these barriers, you are making a promise which you cannot fulfill, and which they know you cannot fulfill.

The difficulty about this agreement is that this is a promise which is made to be carried out after England has gotten our \$3,750,000,000. In other words, the first step in this agreement is to be performed by us—namely, to hand over the cash. Then comes the period of repayment by Britain; but that will be conditioned, at least so Britain can say, upon our performing the next step in the agreement, namely, meeting her in an arrangement for the elimination and relaxation of tariff barriers; and if we do not perform that condition, Senators will hear from their English friends when the next installment on the loan is due—and I can already hear in the not distant future the iteration and reiteration of that affectionate term "Uncle Shylock" for collecting our just dues.

What about England's share in this arrangement? The English have a system of empire preferences which is a system of tariffs designed to maintain preferential trade within the British Commonwealth. We have been told in numerous English statements preceding this agreement that the English did not look with favor upon any such condition for this loan. As a matter of fact, England has been moving in the direction of stringent barriers far more than we have in the last 20 years.

During England's darkest hour, they refused to give up their imperial preference. Winston Churchill explained the

Conservative view in the debates in the House of Commons on this very loan, the acceptance of which he asked his followers not to support.

I now quote Winston Churchill as he spoke in the House of Commons on this loan:

Finally, there is one point I must put on record about the commercial-policy declaration. At my first meeting with President Roosevelt at Argentina in 1941, I was very careful that the terms of the Atlantic Charter in no way prejudiced our rights to maintain the system of imperial preference. Those were not easy days. The United States were neutral. It was very hard to see how the war could be won, but even then I insisted upon that. Similarly when it came to the mutual-aid agreement—

I digress only to say that reference is made there to the lend-lease agreement—

I received from President Roosevelt the explicit assurances which have since been published that we were no more committed by article 7 to abandoning imperial preference than was the United States to abolish her tariffs. What we are committed to, and have been long committed to, in good faith and in good will, is to discuss both these matters.

Mr. President, I digress from the quotation in order to say that discussions are promised. That is all we will get from Great Britain. There will be discussions, and that is all. In their darkest hour the British clung to their imperial preferences, and they cling to them now. They will continue to cling to them if they receive the proposed \$3,750,000,000 of our money.

I continue with the quotation:

At the same time we are bound to take into consideration the views and wishes of the other dominions of the Crown, and all has to be discussed at the forthcoming conference in the light not only of the actions and agreements of the English-speaking world, but also with regard to the general attitude of all other countries toward the removal of trade barriers and trade restrictions of all kinds.

Therefore, we have unquestionable latitude and discretion of judgment. Some have said that the United States might make what looks like a substantial diminution of tariffs already so high as to be prohibitive, and that then, although those tariffs still remain an effective barrier against our exports to America, we should be obliged to abandon or reduce our present preference. I could not agree with that view. On this side of the House we reserve the unlimited right of free judgment upon the issue as it appears, when definite, concrete proposals are before us. It is, therefore, in my view, quite untrue to say that we are at this time being committed by the Government to any abandonment of imperial preference and still less its elimination.

It has been argued that the Churchill government has been replaced by the socialistic government, but that, to my mind, is additional reason for not approving this gift-loan. When the Socialists were campaigning for control of the Government, they made lavish promises to give the people better houses, more food, clothes, and luxuries. Of course, they cannot do it unless we make this gift-loan. To give them \$3,750,000,000 of American money means to give them almost \$100 for every person in the British Isles. I say to you that once we do that, we will have demands from Rus-

sia, France, China, and countless other countries. We cannot play favorites, and we simply do not have money enough or printing presses to print enough money to give \$100 to every person in all of the countries of the world.

They will demand it, nevertheless. When Lord Keynes first came here, they were asking for approximately \$5,000,000,000 as a gift, and he told the House of Lords about the fabulous demands already made upon us.

I may say, Mr. President, that for a long time we have received from the British our first-hand information with reference to what has been taking place in our State Department and in our Treasury Department. The following is what Lord Keynes said as he spoke in the House of Lords:

The total demands for overseas financial assistance crowding in on the United States Treasury from all quarters while I was in Washington were estimated to amount to between four and five times our own maximum proposals. We naturally have only our own requirements in view, but the United States Treasury cannot overlook the possible reaction of what they do for us on the expectations of others. Many Members of Congress were seriously concerned about the cumulative consequences of being too easygoing toward a world unanimously clamoring for American aid, and often only with too good reason.

Mr. President, I still hold that view. Until the administration gives us honestly and frankly a balance sheet and tells Congress and the people exactly how much has been demanded by each and every country, I shall oppose this and all other gift-loans of this character.

I voted to cooperate with all other nations. We were told when we extended reciprocal trade agreements and the Export-Import Bank, when we voted for Bretton Woods, the United Nations, and UNRRA, that that would meet our obligations. Now we find that we must start this new list of gift-loans before Great Britain can even participate in Bretton Woods.

Mr. President, when the discussions with reference to Bretton Woods were taking place before the Senate was the question ever asked, How much will it cost us to make Britain's contribution to Bretton Woods? Not once do I remember such a question being asked, or any explanation being made. Those who sat around the table at the Bretton Woods Conference sat there with poker faces. They looked innocent enough. Apparently we are now being asked to contribute money to enable Great Britain to participate in Bretton Woods, even though it should not require all the money which we are now asked to give to Great Britain in the form of a loan. Why did not the Treasury and State Departments tell us all of the facts then? In my judgment, we never will get all the facts unless we demand them now before we approve this first of a long list of similar gifts.

If we now approve this loan, which is based upon a future commercial and financial agreements conference, it will result in our entire foreign economic program being entirely taken away from the Congress and placed in the power of Executive agreements between our coun-

try and the socialistic government of Great Britain which we are being asked to finance by this gift.

I tell you, Mr. President, we are placing an unbearable load on the backs of the American people to finance and support a socialistic government of Great Britain. That socialistic government has already taken over the Bank of England. They have nationalized their coal industry, their transportation and communication system, and, according to Harold Laski, the head of the Socialist Party, who hates and denounces our private enterprise system, they have inaugurated a social security system far beyond even the limits of the Beveridge plan. Yet, we are asked to weaken our system of government in order to finance and support their socialist schemes.

Let us see how much they are in favor of withdrawing restrictions in foreign trade. That is the argument which we hear made in favor of granting the loan. It is said that we will continue to meet with restrictions unless the sterling bloc is broken. Let us examine the facts. Recently our State Department, by Executive agreement, entered into the Bermuda aviation agreement with this Socialist government. The result was that although we originate and provide 80 percent of the trans-ocean air traffic of the world, we gave them equal access to it with the American companies, in addition to allowing them to fly across our entire country. This was done without an open hearing of any kind. It drew a violent protest from the American steamship lines, the Brotherhood of Locomotive Engineers and Trainmen, the International Association of Machinists, and several other labor organizations throughout America. It was so detrimental to the interest of American workmen and the American people that the Commerce Committee of the Senate voted to protest the agreement by a vote of 17 to 1.

What did this socialistic government of Great Britain do to remove restrictions on the traffic of their country while they share equally in handling the 80 percent of the total traffic originating in the United States? They instituted new rules and restrictions on traffic originating in Great Britain which amounted to "fly British or stay home."

I quote now from the April 5 issue of *International Aviation* magazine:

Recent questioning in the House of Lords brought an explanation of a British exchange ruling on travel that seriously limits, and in most cases would probably eliminate, the freedom of Britons to choose travel on air lines other than British. The normal rule is that nonpriority travelers are allowed £100 (\$403) of foreign exchange for any destination outside the sterling area in any 1-year period, it was stated. In issuing the foreign exchange, British banks deduct the foreign exchange equivalent of any sterling spent in Great Britain for the cost of travel by any foreign-flag carrier, such as American, Swedish, or French air line or steamship companies. If the travel is on British vessels or aircraft, the foreign exchange is not deducted for the cost of the trip.

There is a minor exception in the case of travel between England and Paris, Brussels, or Amsterdam. To ease the burden on the banks the comparatively short European rail journey is ignored and no deductions are

made. In the case of air travel, however, the same type of deduction from the foreign-exchange allowance does apply, unless the journey is made by British carrier all the way. For example, for a trip to Paris made on a non-British air line, £12 (about \$48.35) would be deducted from the £100 of exchange allowed. It is obvious that on this basis, any long-range trip outside the Empire and the sterling area on a non-British carrier would wipe out much or all of the foreign exchange allowed for travel and business purposes.

That restriction was put on while the debate was under way on this loan. Does that show they are putting into effect a program relieving restrictions? They are tightening them every day.

If we approve this gift-loan, we pave the way for the financial and commercial conference in which we will engage in wholesale Executive agreements with the Socialist government of Great Britain that not only will lower our standard of living but launch us on a program of planning and regimentation never dreamed of by the people who still think they are supporting a representative government here in America.

This will mean that we will have turned over the right to make agreements by Executive action in every phase of our economic and financial life. Under the Bermuda aviation agreement, 46 countries can participate in tapping and sharing equally with American companies in the 80 percent of world air traffic originating in the United States.

The British have told us that they will not remove their preferences even after they get our \$3,750,000,000 unless several other countries remove theirs also. Listen to the words of Sir Stafford Cripps, the president of the Board of Trade of Great Britain, under their present Socialist government. He said in the House of Commons in the debate on this gift-loan:

Nobody can compel anybody to reduce a preference; nobody can compel anybody to reduce a tariff. If any one party is invited by another to reduce a preference he is at liberty to say, "I cannot do it unless you reduce your tariffs by 100 percent." The bargain is entirely in his hands, and if he is not satisfied with the bargain there is no reason whatever why he should enter into it.

Now, mark this: Even if we should give a tariff advantage they say they would not necessarily have to give up a preference.

It is clear that we do not necessarily say that we should give up a preference because one country is prepared to give us tariff advantages. The peculiarity about our trade, as the House knows, is that it is a very widespread and diversified trade. We do not sell large quantities of goods of particular lines to particular countries; we sell goods all over the world in what might be considered comparatively small lines.

Therefore, it is not enough for us to get, as against a preference, the reduction of merely one person's tariff; we might want 26 countries to reduce their tariff before we were prepared to drop a preference. Therefore, the whole matter is completely at large and no one is bound at all.

Still we are told that they agreed to abandon or reduce preferences within the Empire. If so, why do they say it is still in their hands, and if one country reduces its tariffs they want all other countries to do likewise, or they

are not going to give up imperial preferences within the Empire.

When he was questioned further, he said:

I am afraid I cannot say it more definitely than I have said it already. We agree to the initiation of a process of bargaining, the ultimate objective of which may be looked upon as the elimination of discriminatory methods of preferences and the reduction of tariffs, but we are absolute masters as to whether we ever get to that objective or not. If it is worth our while, we can get there; if it is not, we shall not. Therefore, I do not really think it matters how one expresses the objective.

I have repeatedly protested the lending of billions of American dollars to foreign governments at 2 percent or 1.62 percent interest while we charge 4 and 5 percent interest to our American veterans who twice fought to save Great Britain. American veterans having loans from the United States Veterans' Administration are at the present paying 5 percent.

When I entered the Senate in 1940, the first bill I introduced provided for the reduction of interest in Government-insurance loans to veterans of the First World War. The bill was reintroduced in each session of the Congress. No action was taken upon it until the present session, when S. 447 was reported favorably by the Senate Finance Committee on June 14, 1945. It provided for the reduction of interest to 4 percent. It passed the Senate June 21, 1945, and was referred to the House Committee on World War Veterans' Legislation, June 22, 1945. I am informed that no action has been taken on the bill by the House of Representatives other than to request the opinion of the United States Veterans' Administration as to the advisability of reducing the interest on veterans' loans on their insurance policies. It is hard to get something done for the American veteran; but when it is desired to give billions of dollars to foreign countries, that is easy apparently, because the idea is deep-seated in the mind of the State Department and the Treasury Department, and Lord Keynes says the British are ready to say, "If we fail, the Americans will take the blame from now on."

The Congress has passed much legislation favoring veterans, but when it comes to reducing the rate of interest on veterans' loans, it seems to doubt the advisability of doing it. Even the GI bill of rights provides for an interest rate of 4 percent on loans to veterans to purchase homes.

If we cannot loan American money to our American veterans at less than 4 percent, I cannot vote to loan American money to foreign countries at 2 percent or less, especially where there are escape and consultation clauses whereby they may avoid payment of both interest and principal. This is doubly true when I know that these same American veterans will have to help pay both the interest and the principal when foreign nations default on their loans.

These same veterans will have to help pay the interest and the principal of the more than \$25,000,000,000 that we sent to Great Britain in lend-lease, for it

still has to be paid by the American people while we relieve the British from any further obligation.

I realize full well that when I take the position I do that I will feel the full weight of the organized criticism of the international-minded clique that will say I am anti-British. I am not anti-British. I am pro-American and I am proud of it.

In opposing the gift-loan under the present circumstances and terms, I am in good company. Such eminent men outside the Congress as Bernard Baruch, Jesse Jones, and Leo Crowley have, in various manners, taken the same view.

Jesse Jones, who loaned more money than any individual in history; Leo Crowley, able Administrator of the Export-Import Bank; and Mr. Baruch, adviser to Presidents, are not asked for their advice on this subject now—it has been left to their successors to develop this fantastic plan.

I do not blame the British negotiators. I like the British people and admire them. I want our country to remain good friends with all countries who were such good friends and allies in the war. To that end I voted for the extension of the Export-Import Bank, for Bretton Woods, for the United Nations, and for UNRRA, all for the purpose of continued cooperation for peace. I want peace with all my heart and being; but I still believe that the peace of the world and the hope of civilization depend upon a strong and solvent America and the continued security of our representative form of government.

I do not question the right of the Russian people to live under and support their communistic form of government. I do not question the right of the British people to adopt and sustain a socialistic form of government, but I do question the right of those entrusted to sustain our representative form of government to dissipate the resources of the American people to support communistic and socialistic systems abroad while weakening our representative government at home.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Hayden	Smith
Barkley	Hickenlooper	Tydings
Brooks	Hill	Walsh
Cordon	Johnson, Colo.	Wheeler
Eastland	La Follette	Wherry
Ellender	McMahon	Wiley
Ferguson	Millikin	Willis
Gerry	Mitchell	Wilson
Green	Robertson	Young
Hart	Russell	

The PRESIDING OFFICER. Twenty-nine Senators have answered to their names. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. BALL, Mr. BREWSTER, Mr. CAPPER, Mr. DOWNEY, Mr. HATCH, Mr. HOEY, Mr. LUCAS, Mr. MAYBANK, Mr. MCKELLAR, Mr. O'MAHONEY, Mr. TAYLOR, and Mr. TUN-

NELL answered to their names when called.

The PRESIDING OFFICER. Forty-one Senators have answered to their names. A quorum is not present.

Mr. BARKLEY. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. McFARLAND, Mr. BUTLER, Mr. AIKEN, Mr. KNOWLAND, Mr. REVERCOMB, Mr. BUCK, Mr. GURNEY, Mr. LANGER, Mr. SALTONSTALL, Mr. HAWKES, Mr. STEWART, Mr. JOHNSTON of South Carolina, Mr. TAFT, Mr. DONNELL, Mr. CAPEHART, Mr. STANFILL, Mr. REED, Mr. BYRD, and Mr. BUSHFIELD entered the Chamber and answered to their names.

The PRESIDING OFFICER. Sixty Senators have answered to their names. A quorum is present.

UTILITIES FOR VETERANS' HOUSING IN THE DISTRICT OF COLUMBIA

Mr. HOEY. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 1955, Calendar No. 1264.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1955) to authorize the Commissioners of the District of Columbia to provide necessary utilities for veterans' housing furnished and erected by the National Housing Administrator.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Carolina?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia, with amendments, on page 1, line 5, after the word "streets", to insert "in the District of Columbia; Montgomery and Prince Georges Counties, Md.; and Arlington County, Va."; and at the end of the bill to add a new section, so as to make the bill read:

Be it enacted, etc., That the Commissioners of the District of Columbia are hereby authorized and empowered to provide necessary sewers, water, and streets in the District of Columbia; Montgomery and Prince Georges Counties, Md.; and Arlington County, Va., for such temporary housing for families of servicemen and for veterans and their families as may be furnished to and erected for the District of Columbia by the National Housing Administrator under authority of the First Deficiency Appropriation Act, 1946. For the purpose of providing such sewers, water, and streets there is hereby authorized to be appropriated, out of any moneys in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated, the sum of \$250,000.

Sec. 2. All temporary housing erected on lands owned by the United States or the District of Columbia, for which authority to provide sewers, water, and streets is granted by this act, shall be removed within 2 years after the termination of the emergency declared by the President to exist on September 8, 1939, except that such period for the removal of such housing may be extended for a period not to exceed one additional year

upon a determination by the National Housing Administrator, after consultation with the Commissioners of the District of Columbia, that such housing is still needed to provide housing for eligible tenants in the interest of the orderly demobilization of the war effort.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3755) to establish an Optometry Corps in the Medical Department of the United States Army.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4283) for the relief of the estate of Michael J. McDonough, deceased.

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Mr. HICKENLOOPER obtained the floor.

Mr. BALL. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. BALL. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the British loan agreement which I delivered in the Chamber of Commerce Auditorium in Washington at a rally in connection with the loan on April 1 of this year. I am supporting the loan agreement, but I hope we can reach a vote soon, and I do not wish to take up time on the floor of the Senate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The so-called loan to Britain is far more than just a loan. It is an over-all international fiscal and trade agreement with both parties undertaking specified obligations. I think the United States Chamber of Commerce did the best job I have seen of summarizing the quid pro quo on both sides and I'd like to read that section of the Chamber's brochure:

"The United States agrees:

"1. To provide a line of credit to the amount of \$3,750,000,000, with payments of principal and interest over a 50-year period commencing at the end of 1951, and with a waiver of the 2 percent interest in years of adverse conditions.

"2. To cancel lend-lease obligations up to VJ-day, except where surpluses remain, and allow obligations incurred thereafter to be paid under the same terms as the line of credit.

"3. To accept long-term obligations in settlement for surplus war property, war installations and claims, this amount totaling with the lend-lease settlement \$650,000,000 and making the aggregate of the British loan, \$4,400,000,000.

"4. To join with other nations in eliminating or modifying trade barriers, the commit-

ment implying a further reduction in tariffs under the Reciprocal Trade Agreements Act.

"The United Kingdom agrees:

"1. To eliminate within 1 year the sterling area dollar pool restricting the use of dollars and other currencies received by member nations.

"2. To abolish immediately any exchange controls affecting United States products permitted to be imported into the United Kingdom or affecting sterling balances of United States nationals arising out of current transactions.

"3. To eliminate within 1 year all restrictions on payments and transfers for current transactions, with specified exceptions.

"4. To eliminate not later than December 31, 1946, discrimination against the United States in any quantitative import restrictions.

"5. To make agreements with the countries concerned for an early settlement covering blocked sterling balances and to make available for use anywhere such balances as are released.

"6. To join with the United States and other nations in a program for elimination or modification of trade barriers, including Empire tariff preferences."

Britain's need for this credit arises out of the fact that world trade is her economic life (in normal times she imports two-thirds of her food and tremendous quantities of raw materials) and during the war she deliberately sacrificed her trade to concentrate on war production. Even under the austerity program adopted by the British Government, under which the English diet is reduced to only 2,400 calories a day, it will take her 3 to 5 years to reconvert her industries and build up her shipping and exports to a normal balance between exports and imports.

Before the war, British imports averaged \$3,500,000,000 a year. Her exports averaged only \$2,000,000,000 annually and Britain made up the balance mainly by shipping services (\$423,000,000), income from foreign investments (\$818,000,000), and around \$175,000,000 in other payments such as insurance and commissions. After lend-lease began, Britain deliberately cut out her export trade and her exports in volume dropped in 1944 to only 30 percent of 1938. War losses have cut her merchant fleet from 22,000,000 tons to 15,900,000 tons, and it will be several years before her income from this source is back to normal. During the war, Britain not only sold \$4,500,000,000 of her foreign investments, reducing her income from this source to an estimated \$400,000,000 annually, but her foreign indebtedness increased from \$2,000,000,000 to about \$13,500,000,000.

The best estimates are that in the next 3 years, Britain's adverse balance of international payments (excess of imports over foreign exchange from exports and other sources available to pay for them) will total at least five or six billion dollars. Canada already has negotiated a loan to Britain of \$1,500,000,000 and it is expected the other dominions will make similar loans, up to the total necessary to make up this balance. The dollars which we loan Britain all will be spent eventually in the United States.

The blocked sterling balances, which now total around \$11,000,000,000, and the so-called "sterling area dollar pool," are both severe handicaps to American trade. Britain used both devices to channel all available resources into her war effort. Her purchases of war materials in the sterling area were paid for in "blocked" sterling, which could only be used to buy specified goods within the sterling area. Similarly, all dollars which the United States spent in the sterling area were turned into the dollar pool and could be spent only for essential war goods bought in this country.

It is apparent that both of these devices constitute a severe impediment to resumption of free, multilateral trade, as contemplated in the Bretton Woods agreements. Yet it is equally clear that without some assistance in the form of large dollar credits, Britain would not dare even to begin to relax these restrictions, as to do so would strip her own economy bare and prevent her orderly reconversion.

I think that we drove a hard but fair bargain, and one which certainly is as advantageous to us as it is to Britain. England for many years has been our best customer in international trade, as we have been hers, and at least 25 percent of our trade in peacetime is with the countries in the so-called sterling area. The removal of trade restrictions in this area, agreed upon by Britain, as well as the elimination of Empire tariff preference, will be of great value in increasing our foreign trade, which may well mean the margin between prosperity and depression for us.

Britain's only alternative for survival, if she cannot obtain this credit, is to continue restrictions on trade, exchange controls, and barter deals with individual nations. If the greatest trading nation in the world is forced to that expedient, all chance of free, multilateral trade will disappear for many years. All international trade will tend to be handled by governments, in barter deals, and there will be no chance for private enterprise in this field. It is my conviction that result would be as disastrous for the United States as it would be for the world and our chance of world peace and stability.

Besides this compelling economic reason, I am convinced that the continued cooperation and strength, both military and economic, of the two greatest democracies in the world is absolutely essential to world peace. And in addition to all these reasons of self-interest, I believe the whole free world owes a debt of gratitude to England for her courageous stand alone against aggression in the dark days of 1940 and 1941.

Many of the arguments I have heard against the British loan agreement stem from a lack of understanding of the essential difference between international and internal credits, and from an unawareness of the economic problem which Britain faces.

It has been proposed that instead of a Government loan to the British, we float a private bond issue at commercial interest rates. This proposal leaves out of consideration the vast difference between a commercial transaction and a loan of this type. During the last war, both the British and the French borrowed large sums of money here in this way. This resulted in a large concentration and perpetuation of economic power in the hands of a few people, and simplified the formation of international cartels. The present sum proposed is immensely larger, and even if the issue could be floated in this manner, we would gain none of the trade concessions made under the present arrangement.

It is also argued that, if we can lend money to Britain at an interest rate of 2 percent, why should we charge our veterans more. Again, the essential difference between the two transactions has been overlooked. The interest on the British loan, while only 2 percent, will amount to \$2,217,000,000, over 50 years, providing it is all paid, and interest payments will exceed those on the principal for the next 20 years. Treasury Secretary Vinson testified before the Senate Banking and Currency Committee that the loan will cost us, if it is financed in the same manner as the rest of our Treasury obligations, about 1.64 percent interest. This compares favorably with the two percent asked of the British. On the other hand, veterans' loans are short-term obligations, and will be paid up within a few years. Both the purpose and the risk are vastly different.

There is an additional consideration which I think we must take into account. Obviously, Britain, despite her efforts to increase her export trade, will find her foreign exchange resources limited for several decades to come. The dollars she pays to our Government in the form of interest will not be available to purchase goods in this country. In a very real sense, a high interest rate on the loan would tend to decrease our export business in tobacco, cotton, wheat, and manufactured goods with Britain.

Another argument made by opponents of the loan is that British purchases with the credit will intensify the current shortage of goods in this country, particularly building supplies. That is true, but anyone who has seen the destruction wrought in British cities will realize the desperate need there for such goods. We are the only source of supply for many of them. Our shortages are relatively less and are only temporary. Within a few months, or a year at the most, the supply problem should be pretty well solved here. On the other hand, Britain's shortages will take longer to satisfy, and we will need her markets once our production steps into high gear. It appears to me that a reasonable sharing of essential reconstruction supplies is as essential to world peace and stability as a sharing of food resources to avert famine.

Frankly, complete repayment of the loan with interest is questionable. Had we loaned the British a larger amount, or made the terms less severe, the chance of our receiving a complete return would have increased proportionately. Repayment of any foreign loan, on whatever terms, is contingent on the willingness of this country to buy the goods with which a loan must be repaid. If, as we did after the last war, we cut our imports to the bone through adoption of a high tariff policy, we cannot expect repayment. A look at what happened then may be helpful. In 1919, foreign governments owed us \$7,244,000,000. In 1921, additional credits had been extended and the total reached \$11,854,000,000. On the other hand, \$622,000,000 of the original had been repaid, and by 1928 an additional \$1,341,000,000 was repaid. By 1932, the year after the adoption of the Smoot-Hawley tariff, but before its effect had really been felt, 665 additional million dollars in payments were made. The payments made between 1932 and 1937, however, when our high tariff policy was fully effective, totaled only \$1,200,000. If the same cycle is repeated, we stand no chance of having the British loan repaid. So far, however, Britain has kept slightly ahead of her export schedule, and if this trend continues, and we honor our commitments to lower trade barriers, I see no reason why the British cannot pay us back, and I am convinced that they will pay if they possibly can.

The danger of Britain's using the loan to finance a completely socialist economy has been highly exaggerated in this country. The British devotion to freedom, both political and economic, is as great as ours. Although the Labor government took the wheel in August, few important changes in the British economic pattern have been made as yet. Given a fighting chance, and the loan would do just that, Britain probably will maintain much the same economy she does now, with the exception of nationalizing highly concentrated and essential industries such as transportation and coal. If, on the other hand, the loan is defeated, Britain might have to resort to drastic economic regimentation to maintain her living standards at anything like prewar standards.

Another argument I have heard against the loan is the one dragged out and dusted off by both isolationists and apologists for Russia every time the British are mentioned. I refer to the charge of imperialism. A century ago, this charge might have been justified. But it is perfectly apparent, regardless

of political statements, that for the past 50 or 75 years the British Empire has been in the process of voluntary liquidation and transformation into the commonwealth. Prime Minister Atlee's recent declaration on India is the latest step in this process. The cited presence of British troops in many parts of the world indicates, not that the British are imperialistic, but they have a better understanding of the responsibilities of world leadership than we do.

In summary, I think there are three main reasons why we should support the British loan agreement.

First, it is a good business deal for us. Britain is our best customer, as we are hers, and the agreed upon elimination of exchange controls and empire tariff preference is a concession to us as great in value as is the loan, at the terms agreed upon, to Britain.

Second, if by failure to obtain sufficient credits to tide her over the next five critical years, the world's greatest trading nation is forced to deliberately adopt a policy of economic warfare to survive, then any chance of achieving the free multilateral trade objectives of Bretton Woods are likely to go glimmering, and our chances of maintaining peace will be greatly lessened.

Finally, extending a helping hand to England is small repayment for the debt which all free peoples owe to her for her gallant stand alone against the forces of tyranny in those dark months from June of 1940 until June of 1941. While our future armies still trained with broomsticks and our factories were still tooling up for war production, Britain held the line against odds that appeared overwhelming. Dollars alone cannot measure the debt which freedom owes to her.

Mr. HICKENLOOPER. Mr. President, the British loan has been the cause of great concern; it has aroused speculation and discussion coursing through the whole field of economics and politics. I am thoroughly convinced that opinions on this proposal are not partisan, but are based upon the deep convictions of each individual as to its benefits or detriments to us and to the future prosperity of the world. This concern is genuine, and each one desires to approach this problem from the standpoint of the over-all benefits or detriments which he himself may see in it.

I think there is a great deal of emotionalism on each side of this question that may becloud the issue on occasion. On either side of this question strong and compelling arguments can be made. I am fully aware of most of these arguments. As a member of the Banking and Currency Committee, before which this proposal was heard, and as a result of discussions with people of divergent views, together with letters from hundreds of people who look to me as one of their representatives in this body, I feel that the various arguments have been fairly presented. Emotionally and practically, it is easy to argue that the British have outraded us repeatedly in the past and that they are outrading us now; that we supplied the sinews of war in 1917-18 that tipped the scales to the advantage of the British Empire and brought victory from defeat for them; that we thereafter loaned money for their rehabilitation, a substantial part of which has never been repaid; that again in 1940 we came to their rescue at a time of dire need and thereafter took over the great portion of the burden throughout the world of defeating the Axis Powers and contributed lives and

treasure in tremendous degree; that now we are called upon to again "bail out the British Empire"; that the record of the British in repayment of their obligations to us is not good; and that we are contributing \$3,750,000,000 without definite assurances of repayment, and especially with the specific provision that if under certain economic conditions they cannot pay the interest it will be waived.

We hear the criticism that there might come a time when Britain or some other country might substantially contribute to our economic stability, and that with the \$275,000,000,000 debt which we now have we do not have the money to provide this credit or to finance this agreement.

There are many other arguments, and most of the arguments have a factual basis, although the conclusions to be drawn may be the subject of much disagreement. We did fight in World War I at great cost, without having our own shores seriously threatened; thereafter we did loan money to European countries, including Britain, and most of it was never repaid; and we did bring assistance to the British, and later we took over the burden of financing and in great measure fighting and supplying the war that has just ended. We got no tangible property gains from our expenditures in World War I; and the social and humanitarian gains for which we stood, and which were the only rewards we sought, did not materialize. We saw, instead, a restless world, with nations struggling for preferment, and not even an armistice or truce in order, but actually a period in which armed conflict was continually going on in various parts of the globe, with the destruction and confusion of both moral and economic values mounting until the world caldron boiled over into World War II.

It is not my intention, Mr. President, to try to discuss the economic and social arguments or the why and wherefore of many happenings of the past. Those arguments have been presented in the past and will be further presented on both sides in the course of this debate. I cannot be certain that I am correct in my present conclusions as to what will happen in future years if we do or do not confirm this loan or if we do or do not do many other things. I can only assure the Senate that I am certain in my conviction that neither we as a nation, meaning our system of government and our conception of political and social rights, can go forward as we hope, nor can the world survive with progressive freedom of the individual and of nations, if we permit the regeneration, in the next few years, of the forces of oppression and destruction that were developed prior to the recent war. That is not to say that I am actually fearful of another destructive world conflict within the immediate future, but it is to say that what we do now and in the immediate future and the cooperation which we must of necessity lead in establishing among nations will have a vital effect upon whether tomorrow's generations live in peace and human progress or destroy themselves in war and conflict.

Of course, we have no assurance that any action we shall take now will guarantee peace and progress, but we do have an obligation now to do everything that we can, even at the risk of making some temporarily bad bargains so far as our selfish interests are concerned, to help orient a confused and devastated world toward the ways of peace and human comforts.

I say we must do everything we can. Of course, I neither suggest nor mean that we should be foolishly profligate. Reason and judgment and the probability of constructive results must govern our opinions and our actions and in my view we should measure our policies, our contributions, and our cooperation with other nations by the yardstick of whether such actions, policies, or contributions have a greater likelihood of advancing the common purposes of a peaceful and progressive civilization in our own country, as well as the world, than another course would have of deteriorating world progress.

There are those who argue, and powerfully, Mr. President, that there is no compelling reason why we should assume the burdens of the world and, of course, the obligation is proportionately no greater on us to assume the responsibilities of decency and Christian principles than it is upon the other nations who must sincerely join in the effort if tomorrow is to be a better day. But the fact remains that, in the devastation that now has prostrated most of the world, we remain the most powerful nation, with resources, industry, and productive capacity intact, and having a conception of political government and human rights which we know have laid the basis for the greatest civilized progress in history, enabling us to assume leadership in these chaotic times.

In my opinion, Mr. President, the implications of this British financial agreement are deeper than the extension of credit to one nation. Furthermore, I do not consider it a controlling precedent for any other loan to any other nation; and in fact, it has been repeatedly stated by officials in our government and by Members of this body that it is not to be so considered.

This British loan is not a banker's loan. A banker's loan is made for an interest profit. If it were a banker's loan, I would say, "Don't make it," for we have no business making, and no money with which to make, a loan for the purpose of securing a profit by way of interest.

Neither is this loan, in my opinion, an aid solely to Britain, although the United Kingdom will benefit from it. If I conceived it to be an individual bilateral loan solely to the United Kingdom and for its sole benefit, I would be opposed to it in its present form and in its present amount, and I would say "Don't make it," as is now proposed. Neither, Mr. President, is it a gift from an affluent friend to an indigent friend, for again, we have not the surplus funds for largess of this kind. Let me add that I believe Britain can survive without this loan if it is merely a question of the eventual survival or financial collapse of the British Empire.

If it is none of these, Mr. President, then, of course, you may well ask, "What is it for?" and "Why should we make it?"

In searching for the answer to these questions I have come to the conclusion that our country, our economy, and our people will, in the long run, be better served and better advanced by making the loan, rather than by not making it, and I shall try to tell the Senate why.

After World War I many arguments were made in support of loans which at that time were made by us to other nations. Running through those arguments were the statements that international peace and comity among nations would flow from such policies and that world economy would be soundly reestablished. Based upon this hope and a sincere desire on our part to help stabilize the then tottering world, we did give a large amount of aid. International stability did not result from our efforts, but that does not mean that the philosophy was wrong. Rather do I believe that events subsequent to those loans did not follow the pattern cut by our attitude and our actions. There was a failure by all nations to follow through to the end of moral cooperation. All over the world there was a dropping away from this desire for friendly, prosperous cooperation, and there was a gravitation to an isolationism on the part of individual foreign nations which, step by step, destroyed the possibilities of reaching the goals of law and order as world policies.

Mr. President, I think we did many things during that period in an earnest effort to further those goals, and perhaps we failed to do some things which, in retrospect, we should have done. But I submit, Mr. President, that the charge of American isolationism, in its broad implications, that has been so glibly and unwarrantedly tossed about by certain coteries of Americans in years past, and that it is being equally as glibly and as unwarrantedly clamored about now, is not justified. It amounts, in many instances, to groveling apologies for the most public-spirited nation in the world; and it amounts in other cases to libels upon the good faith and humanitarianism of a nation that has consistently participated more in the genuine attempts for world progress and the raising of human standards, financially and socially throughout the world than any other nation ever has.

No; Mr. President, we have not, in fact, been an isolationist nation. American blood in two world conflicts refutes that. American treasure in untold billions in two world wars refutes that. American renouncement of physical or material loot or expansion in two world wars refutes that. Repeated American attempts to outlaw war as a policy among nations refutes that, and our activities today in bringing about the United Nations Organization, Bretton Woods International Monetary Stabilization, international lending authorities, and vigor and singleness of purpose with which we as a people are attempting to promote the lead in the establishment of harmony in this world, and our contributions of food, clothing, and equipment to dev-

astated areas, all completely refute any charge that we are isolationist.

It is true, Mr. President, that we have not followed a policy of going about the world with a chip on our shoulder, seeking to get into war and conflict every time a shot has been fired. It is true that we have sought to live in peace and to protect and promote our system of freedom. It is also true that we have argued and worked against war, and that we have tried to avoid physical entanglements in the explosive arsenals of Europe. But, Mr. President, whenever the basic principles of government, which we believe to be fundamental, have become endangered, our Nation has thrown its full strength unselfishly into the balance for victory for those ideals.

Again we face a situation comparable to that of 1919. Values are distorted and emotions often control reason. Again there are those who, with complete conscience and sincerity, say that we should now lick our own wounds and let the other nations lick theirs. I say that those people are conscientious, and they are. They feel that we have already overtaxed our economy, that if we are to save it we must retrench, and that the other nations of the world will have to work out their salvations independently and without further help from us. Again I say, Mr. President, this argument may be sound, but I do not agree. Again I say that, of course, we must not be profligate, and that our participation in world rehabilitation must not be foolish. But I also say that, in our own interests, if we are to see a more speedy recovery of this world and hence a more speedy return to comfort and progress in which we will participate, inevitably, in a greater measure than any other nation, we must give certain aids and certain helps which will stimulate the over-all basic economic machinery of the world in this critical time.

This loan to Britain, as I said before, is more than a loan to an individual nation. I view it as the extension of a credit to a whole system of economic exchange including the British Commonwealths and their trade areas. I believe that it will go far toward freeing restrictive blocs of trade in the sterling areas, areas that otherwise will be forced, as a matter of mutual survival, to band together in economic warfare that will not benefit us, but, on the contrary, will throw up barriers over which our trade for some years to come will find it almost impossible to flow. Britain is and has been a trader nation. The British Empire has been built not upon resources within the home islands, but upon the establishment and control of sources of raw materials and of outlets for finished goods throughout the world. Britain has developed to a greater degree than has any other nation the intricacies of international finance, and over the years she has tied together through trade relations, investments, and sterling debts, a world empire of consumers and producers that normally represents at least 50 percent of the commerce of the globe. If Britain has no other method of payment, the debts which she owes, to say

nothing of her long-range investments in those countries, will require those nations, at least temporarily, to give preference to British trade in order to cash their credits.

We may be restless, Mr. President, when we think that in two wars we have contributed life and money for victory as an ally of Britain, and that now she closes the gates on postwar trade to our economy. We may feel that it shows a lack of gratitude and a lack of cooperation on the part of Britain, and unless the facts are carefully examined, one might well reach that conclusion. However, the evidence seems clear that Britain, and the vast trade empire which she dominates, has one of two courses open to her if she is to survive. She must either build as nearly as possible an impregnable defensive wall about her trade territories and areas within which she has operated, including her dominions and her commercial associate nations, and control it through the obligations which she owes to them, the repayment of which she can only make through the furnishing of goods and services, and through such destructive economic devices as currency devaluation and exclusive bilateral trade agreements, or, the United Kingdom must receive sufficient credit from some source to ease the tension of these present obligations and free the sterling exchange from its now rigid controls. If the latter course is followed, many of the nations that otherwise would be driven to trade exclusively with Britain in order to get their debts paid, can, through these credits, be financially freed and enabled to translate sterling debts owed them into dollars for purchases of products from us and other countries outside the sterling bloc.

I believe that the sterling-bloc situation can easily be illustrated. Let us assume that two men operate clothing stores and let us assume further that one of them owes me a sum of money, and that I am in the market for a suit of clothes. In order to get my debt liquidated I will naturally go to the man who owes me.

Mr. President, the latter course to which I have referred is the goal which Britain has announced as a result of this loan. She must pursue such a course if she acts in good faith and honor in accepting the loan. It is the commercial or economic heart of our long-range resulting benefits, and, in fact, of Britain and the world as well.

From the economic standpoint there are a number of benefits to us that may be expected as a result of this loan. If we do not make it, then certainly, for a substantial period of time, bloc trading seems inevitable, and in bloc trading the various trade devices of currency manipulation and bilateral trade agreements become weapons, and not only disturb the natural flow of commerce but have a disturbing effect on the economies of other nations.

It is vital to American agriculture that we have outlets for our surpluses and that such outlets afford every possible advantage for disposing of them at a

fair price. Too often the over-all price of our entire domestic production of agricultural products is set by the price at which the surplus can be sold. In this field alone it is likely that restrictive bloc trading and bilateral agreements would foreclose many of the major world markets against our farm commodities. It takes but a short period of accumulating surpluses, and the surpluses do not have to be great but only substantially evident, until devastating drops in prices on all of our products domestically occur. Bloc trading and bilateral negotiations among nations would at least seriously hamper the sale of those surpluses and, as has happened in several instances in the past, could easily open up new producing areas in other parts of the world in direct competition with our farmers. When farm prices sag, our whole economy sags with them.

Industrially, we are equipped as no other nation, and we must keep the wheels of industry turning for jobs and steady and substantial income. It is important that we be able to sell our industrial products of machinery and mechanical equipment in as wide a market as possible. The jobs and the prosperity of American labor may depend on this. It is true that nearly 100 percent of our production industrially is for the home market. Over-all, about 110 percent of our gross agricultural production is used here, which means that we had a net importation of agricultural products before the war of somewhere around 11 percent, but of certain products we do produce substantial surpluses over and above our domestic needs, and these products, such as wheat, corn, cotton, and meat and their surplus problems, are vitally important to our economy and to a high degree of prosperity of the whole farm plant. In agriculture and in industry it is the ability to dispose of surpluses over and above domestic needs that usually sets the price and measures our ability to maintain a dynamic economy.

If restrictions on world trade are freed, we will have more chance of finding markets for such surpluses as we may not need here than under restrictive bloc-trading programs.

Mr. President, there is another consideration for the making of the loan or the provision of the credit desired that I feel is most important. In fact, if it were not for this consideration and its importance, as I view it, I might not support a loan in the amount proposed and under the terms suggested. It is a consideration that applies almost uniquely to the United Kingdom, so far as we are concerned, and I think it should be weighed carefully by all of us, for we in this country know that the sovereignty of the individual is the basis for human freedom. That consideration is broadly political.

Mr. MAYBANK. Mr. President—
The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Iowa yield to the Senator from South Carolina?

Mr. HICKENLOOPER. I yield.

Mr. MAYBANK. The Senator is making a most able and excellent argument in behalf of the export trade the pro-

posed British loan will create, through our being able to deal outside the blocs and outside the various and sundry barter agreements. The Senator knows the Midwest section so well that I am certain that when he speaks for the products of that section his statements are correct, but I should like to call the attention of the Senator to something I heard this morning.

Some time ago the Indian Government, because of lack of good cotton, imposed an embargo, and it does not permit shipments of any Indian cotton above thirteen-sixteenths staple to any country in the world. Mr. C. C. Smith, who is in charge of the Cotton Division of the Commodity Credit Corporation, one of the most able Government officials and cotton experts in all the world, told me this morning that recently the Department of Agriculture, through the Commodity Credit Corporation, had received numerous requests for shipment of American cotton to India because of the shortage there of good cotton, and because of the shortage there of textiles with which to clothe the people.

Mr. Smith further referred to what the Senator has so ably stated, the inability on the part of the Department of Agriculture and the Commodity Credit Corporation to deal with the sterling bloc and the exchange which is now in vogue, I might say, in India, but he said that if and when the proposed loan shall be approved by Congress he believes—and I certainly concur with him from a cotton standpoint—that there would be an immediate request for surplus cotton we may have in the years to come, or that we may have now, for the shipment immediately of more than 100,000 bales of American cotton to India, to be used to help clothe the people of India.

As the Senator well knows, India is the second largest cotton-producing country in the world. So when it was suggested that the loan would adversely affect cotton, I said I thought it would not, and I take this opportunity to congratulate and commend the distinguished Senator from Iowa, who knows the Midwest section, for the statement he has made. I express the hope that when the loan shall be approved, it will mark a new day in the disposal of surpluses of the great Grain Belt and the great Cotton and Tobacco Belt of the South and Southeast.

Mr. TAFT. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. TAFT. I do not desire to disappoint the Senator from South Carolina, but under the agreement the sterling bloc will not have to be dissolved for 12 months after the passage of the joint resolution. So that it will be at least 15 months before the highly desirable result pictured by the Senator from South Carolina can be brought about.

Mr. MAYBANK. While I realize that the United States does not need much export trade today, that we must furnish supplies to our own country first, I am looking forward to conditions 5 years, 10 years, 20 years hence.

Mr. BARKLEY. Mr. President, will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. BARKLEY. If by the enactment of the joint resolution approving the agreement we could not expect anything in the way of trade of the kind looked forward to for a year or a year and a quarter, I should like to ask the Senator from Ohio how long it would take for the trade to develop if we rejected the loan.

Mr. HICKENLOOPER. Mr. President, England and her dominions stand with us in the preservation and advancement of individual human sovereignty and rights. The British people are the age-old exponents of individualism, and they, with us, believe that the state should be the servant of the people, rather than the people be the slaves of the state. There are other nations who believe this also, but their voices may not always be loud nor their strength great. I believe that the fate of governments and, of course far more important, the fate of human personal rights, is strongly dependent upon the strength and vigor with which our two nations unswervingly maintain and retain in and for a troubled world those principles of human individual rights and prerogatives which have made us great and strong. I am not even suggesting alliances of a material nature, because our hope for the peace and progress of tomorrow's world must lie in world-wide amity and cooperation; I am suggesting rather the strengthening and advancement of our mutual idealisms so far as individuals and government are concerned, and that by such common effort the opportunities for self-determination and self-government of others who may be suppressed will be extended. We are committed to this responsibility of advancing human rights.

I discuss this political consideration, Mr. President, because I feel that in the years to come political unity in thought and ideal among the stronger nations of the world must be an attainable goal and must be based upon human individual rights. One of the great contributing causes of World War II was that the forces of oppression, power politics, and conquest were permitted to unite themselves while the nations that really believed in enlarging individual rights and opportunities drifted away from a common unity of purpose that might have nipped in the bud or prevented the conflict. It seems to me that this drifting apart of the nations with ideals similar to ours began with the closing of hostilities after World War I while the union and growth of the aggressor and oppressor nations began about that time. It is my hope that the close association and the common purpose of the nations who allied themselves in this war to defeat the Axis Powers, for the preservation of the ideals which we are determined to advance, can be carried forward with increased strength and vigor as the years go on rather than disintegrate, with the practical certainty that with such disintegration, opportunity for a new gathering of the forces of destruction will be possible. The seeds of war are never sown just before shooting begins. The shooting is only the harvest of the crop. The seeds are sown in the confusion and often in the selfishness of the disruptions immediately following war.

We have just spent more than \$300,000,000,000, probably nearer four hundred billion, suffered more than a million casualties, and have disrupted our economy to win an armed conflict; therefore, it seems to me, Mr. President, that we can well afford to hazard 1 percent of this huge money expenditure in an earnest effort to stabilize a great portion of the economy of the world which if even partially successful, will advance the cause of humanity and its comforts and will especially bring to us a more speedy return to the enjoyment of normal human comforts.

In conclusion, Mr. President, there are four reasons why I believe this loan should be made. They are of varying degrees of importance, but I believe that all add up to the one end that we hope to attain and that is the accomplishment of long-range peace and the establishments of opportunities for human progress and advancement. These reasons are, first, I believe, this loan is a contribution toward sowing the seeds of peace now, when every effort must be made to see that cooperation and mutual helpfulness among nations is the order for a hopeful future; second, I believe this loan will go far toward freeing the markets of the world for the interexchange of goods among nations on a basis that will go far toward preventing bloc trading and bilateral exchanges from which we have never benefited; third, I believe that it will give far greater opportunity for the disposal of our surpluses produced in America than otherwise would be the case; and fourth, I believe that it will contribute much toward the unity of the nations of the world that believe in our ideals of individuals sovereignty and the free exercise of individual genius as the vehicle of human progress.

Again I say, Mr. President, that I cannot be certain that this loan will accomplish all the hoped-for results, but I think that we as a nation will be better off in making it than if we refuse it. If it is substantially beneficial, then I believe that it will be repaid and that we will have many added benefits. If it is not successful, then economic collapse in some measure will come. I wish to make it clear at this point, Mr. President, that I do not believe economic collapse will come in another year or two, but I believe economic collapse will come as a result of the degeneration of the economic association among nations in years that are too close to us for comfort. I believe we are taking a chance, a chance that will involve a substantial amount of money. I believe that if we do not take this chance we stand to suffer, in the period of the next 10 years, economic losses in our whole system by way of shrinkage in price and loss of substantial markets, far more than the amount of this loan.

I might say that I feel we did not make the best arrangements in this proposal, but the Congress did not make the arrangements; they were made by representatives of the executive department and we must say "Yes" or "No." I do not feel that Britain has been above criticism in her own unwillingness to give us civil as well as military air rights, per-

manently, in the installations which we built and paid for in the hour of her dire distress, and I feel that these rights should still be insisted upon and obtained as a matter of common equity; but that fault perhaps lies more with the shortsightedness of our own administrators than with the British. We are faced, however, with the necessity to act, Mr. President, and I shall not oppose this loan because in some details those who were charged with the stewardship of American detailed interests were inept. I shall support the loan, Mr. President, in spite of those criticisms because I think it is the thing we must do in an attempt to further the establishment of a normal world and as one contribution in our efforts toward a hoped-for lasting peace.

LEAVE OF ABSENCE

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that I may be excused from further attendance on the Senate today.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Without objection, leave is granted.

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Arizona [Mr. McFARLAND].

Mr. ELLENDER. Mr. President, yesterday, when the Senate proceeded to consider the conference report on the airport bill, which it had been agreed the week previous would then be considered, I was discussing with Members of the Senate the various methods that had been planned in order to rehabilitate a world economically sick following the war. The planners did not wait until the shooting was over in order to make preparations to take care of what was felt would follow in the wake of such a disastrous war, but they got together in a little town in New Hampshire called Bretton Woods, and there, with the chief economic experts of the respective countries in attendance, the so-called Bretton Woods proposals were conceived and born.

I was discussing those proposals yesterday before the Senate proceeded to consider the conference report on the airport bill, and I was attempting to show that those proposals, which were agreed upon, I am sure, in good faith, were to be utilized by the nations of the world in an effort to stabilize business and to stabilize the currencies of all countries in relation to each other. The plan also envisioned the creation of a huge fund to be utilized in order to rehabilitate such countries as had suffered material damage during the war, and to provide funds to expand business in these various countries in an effort to revitalize the lives of the people dwelling therein.

I repeat, Mr. President, that at none of the Bretton Woods conferences was it

mentioned that our Government would be called upon to subscribe a single dime more than was provided for in the plans there perfected.

Under one of the plans provision was made for the so-called fund, which was capitalized at \$8,800,000,000, and Congress voted that the United States should subscribe \$2,750,000,000 to that proposal.

Under another of the Bretton Woods proposals the International Bank was created, and our country was called upon to subscribe, and authority was given for it to subscribe \$3,175,000,000, out of a total subscription of \$9,100,000,000.

In other words, Mr. President, we have obligated ourselves to place in the fund and the International Bank almost \$6,000,000,000. Of course we do not need to call on the fund or the International Bank for any of that money for our own use. But we have obligated ourselves to that extent for the purpose of aiding other nations of the world so they can put their financial houses in order.

Mr. President, when the Bretton Woods proposals were under discussion we had an extended debate in this body. I do not say the vote on the question was close, but the plan of Bretton Woods was described as one which would cure the evils which are now sought to be rectified in respect to one of the signatory countries. If at that time it had been made known to the Members of the Senate that our country was going to be called upon to obligate itself in excess of the amount which we agreed to subscribe under the Bretton Woods agreements, I am sure some difficulty would have been encountered in obtaining the Congress to agree to Bretton Woods. With further respect to Bretton Woods, especially the International Bank feature, there was an alternative proposal made that this country loan to particular countries a certain amount of money, but it was only in the event that Bretton Woods would not become one of the methods by which economic evils were to be treated.

As I indicated yesterday, the Treasury Department of our Government issued many brochures on the subject. They painted a beautiful picture as to what would and could happen to ease the misery of a sick world if the Bretton Woods proposals were ratified, sanctioned, and subscribed to by the United States. Many of us believed that the effect would be as described in some of those brochures, from which I expect to read. Our great President, the late Franklin D. Roosevelt, sent us a message, which was printed under the auspices of the United States Treasury Department, under date of February 20, 1945. On the front page of the pamphlet there appears this excerpt, describing the proposals:

One of the most sound and useful proposals for international collaboration.

FRANKLIN D. ROOSEVELT.

That was the estimate of those two proposals as indicated by our great President. In no place in this message, or in any other brochure issued on the subject, either by the Treasury Department

or by the Federal Reserve System, was there anything indicative of the fact that we would be called upon to put up any more money than that which was provided for in the two proposals.

I quote a few paragraphs from the President's message, and I again ask that Senators interested check this message and the other brochures to verify that what I have said is what really happened. I quote the President of the United States:

In my Budget message of January 9 I called attention to the need for immediate action on the Bretton Woods proposals for an International Monetary Fund and an International Bank for Reconstruction and Development. It is my purpose in this message to indicate the importance of these international organizations in our plans for a peaceful and prosperous world.

That was the President speaking.

As we dedicate our total efforts to the task of winning this war we must never lose sight of the fact that victory is not only an end in itself but, in a huge sense, victory offers us the means of achieving the goal of lasting peace and a better way of life. Victory does not insure the achievement of these larger goals. It merely offers us the opportunity, the chance, to seek their attainment. Whether we will have the courage and vision to avail ourselves of this tremendous opportunity—purchased at so great a cost—is yet to be determined. On our shoulders rests the heavy responsibility for making this momentous decision. I have said before, and I repeat again: This generation has a rendezvous with destiny.

If we are to measure up to the task of peace with the same stature as we have measured up to the task of war, we must see that the institutions of peace rest firmly on the solid foundations of international political and economic cooperation. The cornerstone for international political cooperation is the Dumbarton Oaks proposal for a permanent United Nations. International political relations will be friendly and constructive, however, only if solutions are found to the difficult economic problems we face today. The cornerstone for international economic cooperation is the Bretton Woods proposal for an International Monetary Fund and an International Bank for Reconstruction and Development.

That was the President of the United States speaking. Those were his views on the plans which had been worked out by Great Britain, the United States, and 42 other sovereign nations. Speaking for myself, I am willing to go along with the Bretton Woods plan. Rather than to make a separate loan at this time, as is provided for in this agreement, I would much prefer that our Nation help to increase the capital stock of the fund and of the bank. Why do I say that? It is because I want every nation—the 44 nations who joined in this plan, as well as any others—to be treated on a similar basis under similar circumstances.

With the leadership that we have assumed, our country cannot afford at this time to side with any nation, no matter how large or how small it may be. If we expect to maintain leadership, let us go forward as a nation which will treat all others, irrespective of their size, on the same basis, so that we may be pointed to, and regarded as we have been in the last two wars in which we engaged, as a nation which is not looking for more ter-

ritory, but as one trying to protect its own way of living, and at the same time willing to permit other nations to live in like manner.

Mr. President, most of the speeches made on this floor in the past three weeks have centered on the proposition that the culmination of this loan will mean more business, and that our export trade will prosper as it never has prospered before.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ELLENDER. Gladly.

Mr. LUCAS. May I inquire of the able Senator whether he expects to finish his speech this afternoon?

Mr. ELLENDER. Yes; and I wish to advise the distinguished Senator that I have been accused by some members of the press of trying to filibuster. I am not.

Mr. LUCAS. I deny that charge.

Mr. ELLENDER. I started day before yesterday, and in 4 hours' time I spoke for approximately 2 hours. I was interrupted to a considerable extent. I do not mind that. As a matter of fact, I invite it, because I believe that the issues involved in the topic under discussion are very grave, and I should like to have the American people know about them, so they will not be influenced on the basis of mere propaganda, as has been the case in many instances when legislation has been under consideration.

Mr. LUCAS. My only reason for inquiring is that it is my understanding that practically all Senators have made up their minds as to how they are going to vote on this question.

Mr. ELLENDER. I doubt that.

Mr. LUCAS. We have been debating it for about 3 weeks.

Mr. ELLENDER. The Senator may have made up his mind, but I know perhaps as many as a dozen other Senators who have not made up their minds. They are looking for facts and enlightenment, and I am trying to give these to them.

Mr. LUCAS. I am sure that the dozen Senators to whom the Senator refers are not in the Chamber.

Mr. ELLENDER. They may read the Record. I do not wish to take up the time of the Senate unduly—

Mr. LUCAS. I am not complaining. I made the inquiry only because I have an important engagement downtown, and I wondered if there was to be a vote this afternoon.

Mr. ELLENDER. I believe the Senator would be safe in leaving the Chamber.

Mr. LUCAS. I was sure I would get that reply from the able Senator.

Mr. ELLENDER. I do not mean only because of my speech. I understand that two or three other Senators may wish to speak this afternoon. Furthermore I understand it is the intention of the majority leader to take up the Hastie nomination. For all I know, there may be a few remarks in the matter of his confirmation.

Mr. LUCAS. I hope there will be more speed on the Hastie nomination than there has been on the British loan.

Mr. ELLENDER. Mr. President, the Senator from Illinois does not need to worry about that. I do not believe there will be much debate or discussion of that nomination. I think the committee reported the Hastie nomination with two opposing votes. My vote was one of these and the vote of the Senator from Mississippi [Mr. EASTLAND] was the other. But I can assure the Senator that if the Hastie nomination comes up, I shall not take more than 7 or perhaps 10 minutes on the nomination—and, by the way, I shall not mention Hastie's name.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. BREWSTER. I did not know whether the Senator from Illinois was inclined to be "hasty" in this matter or not. [Laughter.]

Mr. LUCAS. We might make a little more speed with Hastie.

Mr. ELLENDER. Mr. President, as I was saying just before I was interrupted by the distinguished Senator from Illinois, the main reason advanced by the proponents of this measure is that it will, so they claim, expand our trade and bring about a cordial business relationship between our country and others. That was the same line of argument that was advanced when consideration was given to the Bretton Woods proposals. My authority for that statement is the President of the United States himself. Listen to what he said about the Bretton Woods proposals:

These proposals for an International Fund and International Bank are concrete evidence that the economic objectives of the United States agree with those of the United Nations. They illustrate our unity of purpose and interest in the economic field.

That is the President speaking, not the Senator from Louisiana. The President further said:

What we need and what they need correspond—expanded production, employment, exchange and consumption—in other words, more goods produced, more jobs, more trade, and a higher standard of living for us all.

I continue to read from the President's message on the Bretton Woods proposals:

To the people of the United States this means real peacetime employment for those who will be returning from the war and for those at home whose wartime work has ended. It also means orders and profits to our industries and fair prices to our farmers.

Those are the same arguments that today are being advanced as reasons why we should vote Great Britain a separate loan of \$3,750,000,000. The arguments then are the same as now; there is no difference.

I read further from the President's message on the Bretton Woods proposals:

We shall need prosperous markets in the world to insure our own prosperity, and we shall need the goods the world can sell us. For all these purposes, as well as for a peace that will endure, we need the partnership of the United Nations.

The first problem in time which we must cope with is that of saving life, and getting resources and people back into production. In many of the liberated countries economic life has all but stopped. Transportation

systems are in ruins and therefore coal and raw materials cannot be brought to factories. Many factories themselves are shattered, power plants smashed, transmission systems broken, bridges blown up or bombed, ports clogged with sunken wrecks, and great rich areas of farm land inundated by the sea. People are tired and sick and hungry. But they are eager to go to work again, and to create again with their own hands and under their own leaders the necessary physical basis of their lives.

The President proceeded endlessly in stating to the American people and to the Congress the necessity for the adoption of the Bretton Woods proposals. The same eloquent arguments which were made by the President back in February 1945, asking that we consent and agree to subscribe to the Bretton Woods proposals, are being made today in favor of the British loan—perhaps not quite so eloquently, but with the same force. We are told that it is necessary that we loan this money if we are to have a peaceful world, one in which we can live harmoniously and, with due regard to the rights of each other, to a just share of world trade.

Mr. President, I shall not read at length from another brochure. This one from which I now read was prepared by the United States Treasury. It is dated February 15, 1945. This brochure was sent into every nook and corner of the United States. It advocated the adoption of the Bretton Woods proposals as being one of the foremost methods, or perhaps the best solution for curing an economically sick world, which had been ravaged by war.

At the time there was quite a good deal of opposition to the adoption of the Bretton Woods proposals. The Treasury, as well as the Federal Reserve System and other agencies of government, propagandized the entire United States in an effort to make certain that the Bretton Woods proposals would be adopted. The arguments were well explained, they were well understood, and the same cry that we hear now—that unless we vote for the pending proposal, we shall have economic warfare which will lead to another war—was dinning in our ears. The same reasons are again advanced today; those which are made today are no different. The arguments which were made at the time when the Bretton Woods proposals were pending before us were just as eloquent as the arguments which now are being made in favor of adoption of the British loan—and I include the argument which was made yesterday and one which was made just a few minutes ago by two of our distinguished colleagues. We shall hear more of them before this measure is disposed of. We shall be told that if we do not vote for this loan its rejection will mean economic warfare which will lead to a shooting war. We shall hear that stated again and again.

But, Mr. President, I do not concede to such conclusions. I know what will happen if we strain our own Treasury too greatly. We may be put in the same condition in which the British now find themselves. I do not wish to have the economy of the United States dragged

down on the same level as that of the British by Britain or any other country. I am sure that methods can be devised to take care of the situation. Why is it that the United States should be the one nation that other countries are looking toward and coming to, hat in hand, saying, "Let us have \$100,000,000 or \$500,000,000 or \$3,000,000,000"? Mr. President, in a few minutes I shall show the condition of our own country with respect to our indebtedness.

I yield to the Senator from Colorado who, I see, is standing on his feet.

Mr. JOHNSON of Colorado. Mr. President, the Senator from Louisiana has said that he is afraid we might be placed in an embarrassing position with respect to our debts. We are now asked to make a loan to Great Britain of \$3,750,000,000 because of claims which have been filed with her in relation to an indebtedness of approximately \$14,000,000,000 on the part of the other countries in the sterling area. Because Great Britain cannot pay those debts and satisfy those claims, we are being asked to make her a huge loan. We ourselves now owe \$275,000,000,000, and the time may come when we will not be able to pay our debts. At the present time Great Britain has blocked her debts to countries who have claims against her. She refuses to give them goods, and she refuses to make payments to them. Suppose that at some time in the future we should become embarrassed, and that demands were made upon us to pay at least a part of the \$275,000,000,000 which we owe? Where could we go for the money to pay off the debt?

Mr. ELLENDER. Great Britain is in a better position now to protect herself than we are. She can hold off her creditors. Of course, we might be able to do that with respect to our own debt. The difference between the two situations is that most of the debts owed by our Government are internal debts. But, Mr. President, in line with what the Senator from Colorado has said, servicing our debt will require in excess of \$6,000,000,000 a year. That is more money, by far, than our Government spent during any year before 1933 when the depression set in. Our returning soldiers must be taken care of. To do that will cost no less than \$5,000,000,000 or \$6,000,000,000, to start with. The expense may taper down within a few years, but it is a problem with which we are confronted. We must maintain a sizable Navy, Army, and Air Force. I have taken the position on the floor of the Senate, and elsewhere, that, for its own protection, as well as that of the remainder of the world, and to assure the continuation of peace in the world, our country is duty bound to maintain a fairly large Army, and a sizable Navy and Air Force. I believe it to be incumbent upon us to maintain such facilities until we are certain that the United Nations is in position to do the job of maintaining peace throughout the world. The world demands the leadership of the United States of America. Our Nation must be strong, financially, if we are to go forward. If we are to subscribe \$10,000,000,000 to the funds

which we have already provided, I do not know what will be the result. The Bretton Woods proposal will cost us \$6,000,000,000, the Export-Import Bank has cost us three and a half billion, and I understand that we will later be confronted with a request for another billion and a half dollars. UNRRA will later return and ask for an appropriation of more funds. I shall be glad to vote for such funds. I am glad to do anything which will help relieve the condition of starving people throughout the world.

But, Mr. President, there is a limit beyond which we cannot go. Our obligations at the present time are great, and I think it is to the advantage of our country, and to the world as well, that we remain economically and industrially strong. We have no selfish motives as has been the case with many other nations. We are a peace-loving people and I believe that we command the respect of all nations. If ever we lose our leadership, God pity the world as a whole, not merely the United States.

Mr. President, I am now about to read some data in connection with the International Monetary Fund to further emphasize my contention. It is one of the two Bretton Woods proposals, and in my opinion is the more important of the two. As I indicated a while ago, I would cheerfully vote for more funds to be used to increase the assets of the International Monetary Fund, because through it we shall be able to treat all nations on the same level. I believe it to be essential that we try to stabilize world currencies under the International Monetary Fund plan. We may encounter some difficulties, but it is worth trying at almost any risk.

Mr. President, what does the fund do? I will read what the Treasury Department has said it would accomplish: The statement which I am about to read was made in order to convince the American people, and the Members of this body in particular, as to what the International Monetary Fund would do, and in expanding the trade of the world, the effect it would have not only on the United States but on all other countries as well.

I read:

The fundamental purpose of the International Monetary Fund is to promote the balanced growth of international trade. It will do this in three ways. First, it will stabilize the value of all currencies in terms of each other. Second, it will progressively remove barriers against making payments across boundary lines. Third, it will provide a supplementary source of foreign exchange to which a member country may apply for the assistance necessary to enable it to maintain stable and unrestricted exchange relationships with other members.

Mr. President, who are those other members? They are forty-three of the leading nations of the world, including Britain who participated in the drafting and preparation of the two proposals.

I continue reading:

During much of the period since the World War I, unstable exchange rates have seriously interfered with trade and settlement of international balances. People who buy or sell abroad need to know today what their

money will be worth tomorrow, and a year hence, in terms of their own currency.

Restrictions on payments, which have in the past been among the most serious obstacles in the way of international trade, take a number of forms. In some countries importers are permitted to purchase the dollars or pounds required to buy goods in the United States or England. In other countries, of which Germany before the war was an example, foreign trade was disrupted by the use of the so-called multiple currencies. Germany also relied heavily on barter arrangements—"we will accept your coffee if you will accept our machine tools in payment". Barter is at the opposite end of the scale from freedom in international trade.

During the war, many new restrictions have been devised and employed for reasons of military necessity. Unless uniform standards can now be developed and generally adopted, the entire jungle of controls may be extended and intensified in the postwar period. We in the United States believe that the greatest possible freedom should be given to our businessmen engaged in international trade. But, we note that this freedom will be meaningless unless other countries accord an equal measure of freedom to their businessmen.

Exchange rates must be stable. The Fund proposal provides for stabilizing the value of world currencies. This is a subject that concerns every trading nation, and the United States more than most. When an American sells abroad he wants to be assured that the buyer's currency will have a constant value in terms of dollars. The reason is obvious.

If, for example, he receives payment in Mexican pesos, the rate of exchange will determine the number of dollars he finally receives for his sale in Mexico. Even though the terms of the sale call for payment in dollars, which is not unlikely, the exporter will still be concerned with the stability of the peso, since the fluctuation in the dollar-peso exchange rate will alter the cost to the Mexican buyer.

Specially, any depreciation of Mexican currency raises the peso cost possibly to the point where the Mexican can no longer afford to purchase.

An American exporter, oddly enough, may be equally concerned with currency stability in other countries: Holland, for example, in which he neither sells nor expects to sell. This interest arises from the fact that producers in Holland compete for the same Mexican market, and depreciation of the guilder would give the exporter in that country an edge over the American who, on the basis of efficiency in production and quality of product, might be able to hold his own in any market.

Under the Fund proposal, no member may resort to exchange depreciation simply to gain competitive advantage in world markets. The proposal recognizes, however, that under certain conditions it may be necessary to change the value of the currency. For example, prices in a given country may remain relatively high while world prices generally decline.

If so, the country's exports will drop off and its imports, over the short run, will tend to increase. This situation may be corrected by a downward adjustment of the exchange rate which, however, under the Fund proposal will have to be requested by the country in question and approved by other members of the world trading community.

Mr. President, in this brochure there are further arguments similar to those which have been advanced, which remind me, I may say to the Senator from New Jersey [Mr. Hawkes], who sits before me, of the many arguments which have been made in the last 3 weeks.

They are the same, except a little more eloquently made, depending on which Senator made the speech.

So much for the Fund. The second proposal deals with the International Bank, with a capital of \$9,100,000,000, of which amount we have agreed to subscribe \$3,175,000,000. That is a subscription. I do not know that it will ever be paid back, and I do not much care, so long as it will serve the purpose indicated in the brochure from which I am reading. That is what I am interested in, and that was in my mind when I voted for the Bretton Woods proposals. The RECORD will show I made a few remarks in respect to the proposals when they came before the Senate for debate. I felt that if 44 nations would pool some of their assets with a view of stabilizing their currencies in relation to each other, it would be a good thing. Therefore I voted for the agreements. But today, along with several other distinguished Senators who have so expressed themselves, I do not know what the next step will be.

I do not want the United States to be in the position of saying "Yes" to one of our valiant allies and "No" to another, when application for a loan is made. That would not do us good as leaders in the world.

Now to revert to the International Bank. What are its purposes? The subscription is to be \$9,100,000,000, of which amount we agreed to subscribe \$3,175,000,000. As to the purpose, I read:

The International Bank for Reconstruction and Development, like the International Monetary Fund, recognizes the need for world-wide cooperation in monetary and financial matters. Both aim at the balanced growth of trade as a means of achieving high levels of employment and rising standards of living.

Mr. President, those are eloquent words, and I have been hearing them here for 3 weeks in connection with the British loan, the same words, the same arguments, everything else the same.

Each, however, will have its own separate function. The fund will be concerned with orderly, stable exchange rates and freedom in exchange transactions. The Bank will be concerned with long range productive international investment.

The Bank, therefore, will fill important needs in the postwar economies of all the 44 countries that assisted in preparing the Bretton Woods proposals.

Factories, dams, power plants, transportation systems, and public buildings in the countries ravaged by war, have been shelled, bombed, and pillaged. Foreign capital will be needed to help replace this wealth. While it is fully recognized that a major portion of the reconstruction burden must be borne by the affected countries themselves, yet for many "seed corn" items of capital equipment they must look to their more fortunate neighbors.

There are also the long standing needs of undeveloped areas inhabited by more than half of the world's population—particularly the Far East and some of the Latin American Republics. To uncover and develop these resources, to make possible their full scale participation in maintaining healthy economic and political conditions the world over, will require extensive investment of foreign capital.

A few countries will emerge from the war with heavy industries that can produce capital equipment for export. Since exports in substantial volume will depend on the revival of international investment, these countries have a vital interest in any plan that will place international investment on a high plane, supported by new standards and safeguards. Among the countries in this group, the United States ranks first in importance.

American investors took chances after the last war, and in the late 1920's and 1930's got caught in an epidemic of defaults. Although some would continue to purchase foreign securities offered in our markets, even without the Bank, many investors remember only too well what happened before. They realize that an investor should know something about the credit standing of the ultimate borrower; that a loan is much more likely to be repaid if it is employed for productive purposes; and that the lender should have means of checking up on the way in which his money is being used. Without these safeguards, foreign investment is a highly speculative business.

While the United States is concerned with the reconstruction and development of other countries for their sake, our principal interest in bringing about an expanded volume of American investment abroad arises out of concern for our own welfare. After the war, our economic policy will be aimed at full employment and full utilization of a greatly enlarged industrial plant. These objectives, however, cannot be realized unless we find new outlets for products of farm and factory—outlets that will be steady and profitable after war demands have dropped off.

Mr. President, that picture was painted while the war was still on. We were planning for the future, and we were told at the time that unless we adopted these proposals employment would be affected. I repeat, those are the same arguments which are now being advanced in order to aid 1 out of the 44 nations which signed the Bretton Woods proposals.

Mr. President, it is ridiculous for us even to think of lending money under conditions stipulated in these agreements.

I shall not read all of this brochure, but I should like to read one more paragraph, as to how the lending operations are treated, and again to show that at least 43 nations that aided in drafting these proposals expected to obtain assistance through these two proposals, and in no other way. That was the impression of every Member of the Senate when Bretton Woods was considered. I have yet to find one Senator who denies that.

I read further:

Direct loans made by the bank will be of two kinds. Of greater significance will be loans in which the Bank serves as intermediary between borrowers and lenders. The bank may sell its own securities in the market of a member country, and in turn lend directly to the ultimate borrower. By this device the bank will be able to consolidate numerous demands for small amounts of capital and to appeal to certain investors who might prefer to invest in securities issued by the bank itself. The obligations thus incurred will be secured 100 percent, as will be the guaranteed loans, by the bank's reserves and unimpaired capital.

The other form of direct loans will be made out of capital assets. The total volume of such loans, however, will be limited to 20 percent—and is likely to be 10 percent—of the bank's subscribed capital. The standards for direct loans are the same as those for guaranteed loans. The projects

to be financed must be productive; they must be endorsed by a member government; and the bank will have to be convinced that private capital is not available on reasonable terms, even with its guarantee.

All loans and guaranties must have the consent of the country whose currency is involved. That is, both direct dollar loans made by the bank and guaranteed loans floated in this country must have the approval of the United States Government.

Direct and guaranteed loans will for the most part be additional loans, over and above the private loans that would ordinarily be made, and will serve directly to increase the volume of international trade.

I have read these paragraphs to show that our Government made attempts to protect any loans which were to be made from this fund. Let me reread a sentence:

All loans and guaranties must have the consent of the country whose currency is involved, that is both direct dollar loans made by the bank and guaranteed loans floated in this country must have the approval of the United States Government.

In other words, under that language, our Government must approve the loans. Our Government must be in a position to say to those who will purchase the securities, that they are sound and safe investments. But what have we here in respect to the proposed three and three-fourths billion dollar loan? What sort of guaranties do we have? There are none. There is not a single word in the agreement guaranteeing that the loan will be repaid, except the mere promise that it will be done. It is purely and simply an I O U.

Mr. President, aside from the two agencies created under the Bretton Woods proposals, our country sought on its own behalf to help an economically sick world. In addition to subscribing \$6,000,000,000 to the fund and the bank, the Congress increased the capital stock of the Export-Import Bank to three and one-half billion dollars. We expect to further increase it by a billion and one-quarter dollars. Speaking for myself, I would vote to increase the capital stock of the Export-Import Bank a few more billion dollars if it would help to bring about economic stability in many of the countries of the world which are now in need of financial aid. But I should like a method developed under which all nations would be treated alike, rather than coddling one and cuffing the other. If ever we begin to follow the latter course, we will, by doing so, I predict, impair and weaken our leadership as a world power. To my mind there can be no question about that.

Mr. President, a third method was advanced by the late President Roosevelt which I supported wholeheartedly. That was the Trade Agreements Act. I shall not take the time of the Senate to discuss the Trade Agreements Act, but Congress adopted it, and it has been extended time and again by the Congress. I know that the Trade Agreements Act has done much good in the way of expanding the trade of this Nation. It harmed some industries, it is true, but all in all it did much good. I voted for extension of the act, and if the question again arises I expect to vote for its further extension.

Mr. President, I have discussed the plans which have been worked out by our administration in cooperation with other governments. I want to see that steps are taken so that those plans can operate successfully and accomplish what their authors said they would perform. I do not want to veer away from them. I want to give the plans an opportunity to be made effective. If it is necessary to modify the plans in order that they may operate successfully I am willing to support any legislation in that direction.

With respect to the plan which was so highly advertised, that is the creation of the Export-Import Bank, let us improve its functioning so it may do the things it was intended to accomplish. I am satisfied our country would be better off in every respect if we were to undertake to make loans through the bank rather than to grant one nation special privileges which we must later refuse to others.

Mr. President, I have received much mail, mostly from outside my own State, telling me that Great Britain has made a tremendous sacrifice in contrast to other nations, including our own; that Great Britain was the savior of the world; that while we in this country were preparing, Great Britain was operating her factories to the limit with one arm and keeping the Germans away from her shores with the other. I would be the last person on earth to say that Great Britain did not put forth her whole strength in helping to win the war, or to in anywise minimize her efforts. But when I am told that because of the huge sacrifices Great Britain has made in saving us this loan should be made, I draw the line. Let us see if she has done more than we have.

Mr. President, let me make a comparison between the losses suffered by our Nation by way of casualties, as an example, in contrast to those of the British Empire. The total American casualties as of June 30, 1945, are as follows: killed, 248,161; missing, 47,222; wounded, 649,430; war prisoners, 116,223; total, 1,058,036.

It must be remembered that we did not participate in the war actively until quite late in 1942. The British had been in the war from September of 1939 until the war ended. In contrast to the casualties I have just enumerated for the United States, I will give the total casualties for the British Empire for the entire period of the war, and the casualties include those of the British Isles, Canada, Australia, New Zealand, South Africa, India, in fact all the Dominions and colonies, as well as the civilians killed in Great Britain.

Total killed, 336,772. That means all soldiers and sailors, as well as civilians, killed in Great Britain, and in the Dominions and colonies, on the battlefields, on the seas, and civilians killed by bombs. The total number of deaths for the whole of the British Empire was 336,772, in contrast to our total killed of 248,161. Missing, 98,113; wounded, 468,388; war prisoners, 330,523, contrasted with our 116,223. Total, 1,233,796, in contrast to our total of 1,058,036.

Let us contrast the casualties in Europe and the Mediterranean area as of

June 30, 1945, just after the close of the European war. The United States Army casualties were as follows:

Killed, 154,218, in contrast to a figure of 92,079 for the British, the Australians, and the few Canadians who were on the European battlefield. Missing, 20,141 for the United States, compared with 51,289 for Great Britain and the other countries which I have mentioned. Wounded, 476,092 for the United States, and 170,335 for the British. War prisoners, 96,356 for the United States and 178,343 for the British. Totals, 746,807 for the United States, and 492,046 for the British.

Let us view the comparisons of United States and British casualties on the European continent from D-day until VE-day and compare the forces engaged. During the period from D-day until victory, the United States forces suffered 89,447 killed, as compared with 39,599 for the British, Canadians, and Australians. Wounded: United States, 367,180, as compared with 126,545 for the British, Canadians, and Australians. War prisoners, 57,877 for the United States, and 18,368 for the British. Totals: United States, 514,534; British, 184,512.

Let us compare the Allied ground strength at the end of the war. The United States had five armies on the western battlefield of Europe. Britain had one, and Canada one. The United States had 16 corps, Britain 4, and Canada 2. The United States had 42 infantry divisions, Britain had 8, and Canada 3. The United States had 15 armored divisions, Britain 4, and Canada 2. The United States had 3 airborne divisions, Britain 2, and Canada 0.

So, Mr. President, when we compare the casualties, we see that our suffering was much greater than that of the British.

Take the question of property damage. There is no doubt that the British have lost heavily through bombing of their factories, their homes, and in many other ways. A commission was appointed to make an inventory of the actual losses of the British. It was estimated that the losses were between \$3,000,000,000 and \$4,000,000,000. I shall not undertake to estimate what our property losses were. While in factories and homes, and things of that character, our losses were inconsequential, yet we lost more heavily than did the British in resources that cannot be replaced. Homes can be rebuilt; factories can be reestablished; brick, mortar, and other materials which enter into the construction of a house or factory can be manufactured; but there is no way to replace the tremendous tonnage of oil, iron ore, copper, zinc, magnesium, and resources of that kind. Those resources are God-given. They cannot be replaced. Everyone knows that during this war they were dissipated without stint. At one time we supplied from our own resources 85 percent of the liquid fuel which was needed to make mechanized war possible. I tried to obtain an estimate of the amount and of the cost of such resources, but I have not been able to obtain it. However, I am sure that it would exceed by many, many times the value of property which has been lost by the British.

I sympathize with the British. But if the truth were known, our losses of goods and materials which are irreplaceable are many, many times greater than those of Great Britain or almost any other nation which was engaged in the war.

I am sure it will be remembered that before our Nation went into the war Mr. Churchill made numerous speeches. I quote a few lines from a speech to the House of Commons at the opening of a new session, November 21, 1940:

We do not require in 1941 large armies from overseas. What we do require are weapons, ships, and airplanes.

On another occasion, in 1941, he said:

We shall not fail or falter. We shall not weaken or tire. Neither the sudden shock of battle or the long-drawn trials of vigilance and exertion will wear us down. Give us the tools and we will finish the job.

I shall never forget his speech at the fall of Singapore, when he lamented to the British people and to the world the fall of Singapore. But oh, what a great victory he had accomplished by helping to get the United States on the same side with the British. At that time the British, through their statesmen, said, "All we need is materials. We have the men." But it was not long before we were called upon to send the flower of our manhood, too. As I indicated a few moments ago, we had five armies on the western front to their one.

Mr. President, I am not stating these facts in derogation of the British or to prove that they did not do their duty, but merely to offset some of the propaganda which has been circulating throughout our country, to the effect that the British won the war and saved the United States, and therefore we ought to vote for the loan and thereby bail them out of their financial trouble.

Mr. President, the line of argument which the British advanced back in 1941, was, "Give us the tools. Give us the material and we will do the rest." They are now coming to us, I repeat, and asking us to bail them out from an economic stalemate of their own making. I, for one, will not vote one dollar to perpetuate such a situation as that. I want America to use the instrument of procedure of which I was speaking a while ago in an effort to render aid.

Mr. President, that the British made great sacrifices no one will deny; but let us for a moment take a brief view of what we did in aiding Great Britain by means of lend-lease. I voted for lend-lease and supported it ardently on the floor of the Senate. Back in March 1941, when lend-lease came up for discussion, I made a speech in which I attempted to give our great President a little advice as to how I thought lend-lease should be handled. I stated to the President, in that speech, that our country contained about 6½ percent of the land of the world, as compared to the 28 to 30 percent of all the land in the world which is possessed by Britain. I attempted to show that the natural resources possessed by the British, irreplaceable God-given natural resources were 3½ to 4 times more than those which our own country possessed, and at that time I begged of

the President to make every effort to get back for our country some of the natural resources from the other countries, to take the place of those which we were dissipating to such a great extent.

Consider the Mesaba Range, in northern Minnesota. I am told that at the rate at which iron ore was being extracted from those mines to foster the recent war, they would be depleted in from 11 to 15 years. When those deposits are exhausted, we shall have to use iron ore containing much more rock and other undesirable ingredients, which are rather difficult to extract, with the result that the cost of producing steel in the United States will necessarily be increased. I also mentioned the copper and the oil situation. But nothing was done about that.

Mr. President, when we obtained bauxite from British Guiana, South America, in order to make aluminum with which to make planes to send to Britain and other nations, we had to buy it and pay cash on the barrelhead for it. If we desired to obtain British-controlled oil from northern South America, or Asia, we again had to pay cash for it on the barrelhead. The British had in the United States two shipbuilding plants which were built in 1939. We desired to obtain possession of those two plants, which were built with British capital. Did Britain transfer those two plants to us on account of what she owed us? Oh, no, Mr. President. We had to put up fourteen or fifteen million dollars in cash in order to be able to obtain possession of those plants. Then they talk about the sacrifices, material and otherwise, which were made by Britain, as compared or contrasted with those which we in the United States made. I almost overlooked it. The British charged tolls for using the Suez Canal, which she controls, so that we could transport troops, ammunition, and other supplies so as to reconquer some of her possessions in southern Asia.

Mr. President, according to the last report on lend-lease—and please remember that the money spent under lend-lease was spent by the United States Government in aid of our allies—the total amount was \$46,040,054,000. Think of that!

Of that amount, Great Britain got almost 70 percent; the figures show that of that total, she received \$30,269,210,000. In reverse lend-lease we received four-billion-and-some-odd-million dollars' worth, which was mainly in the nature of services, such as the cost of transportation of our soldiers across the seas, to and from this country, and some supplies such as fresh vegetables, some clothing and housing.

I cite these things merely to indicate the sacrifices which we have made, in contrast with those which the British have made, and in order more or less to show up some of the propagandists who are writing to me and also other Senators, stating that we should be ashamed of ourselves for opposing the British loan, because of the great sacrifices which the British Nation made in order to win the war and save America. Mr. President, I know of no nation, except possibly Rus-

sia, which lost more men than we lost in the war, and so far as the great, God-given natural resources are concerned—resources which never can be replaced—we lost more than our share. If it ever happens that this country has the misfortune of again becoming engaged in a world war, God pity America.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Louisiana yield to the Senator from Colorado?

Mr. ELLENDER. I yield.

Mr. JOHNSON of Colorado. In discussing the lend-lease which the United Kingdom obtained from the United States, it should be remembered that not all of it was composed of weapons of war. It consisted of every kind of merchandise, from a darning needle to a locomotive. In many instances the civilian goods which were given to Great Britain under lend-lease were sold by Britain to her own people, and the money which she received from the sale of those civilian goods—goods which were given Britain under lend-lease by the United States—was put into the British Treasury, and thus was saved her taxpayers. I do not know what the figures are, but a very large percentage of lend-lease which went to Britain was composed of civilian goods which were used by Britain in that way.

Mr. ELLENDER. Mr. President, the statement which the distinguished Senator from Colorado has made brings to my mind a letter which I placed in the RECORD some time in 1942, as I recall, when we were asked to provide more funds for lend-lease. In that letter I was told by Mr. Stettinius, who then was the administrator of lend-lease, that to a considerable extent goods which were sent across the sea to Great Britain were used to sustain the civilian population of Britain. None of us objected to that. But how were the goods handled? Mr. President, when food was sent to Great Britain, after it was delivered at the docks, a division of the British Government took control of it, and it was then sold by the British Government to wholesale establishments in Great Britain. Those wholesale establishments in turn sold the goods to retail establishments in Great Britain. The retail establishments in turn sold the goods to the civilians of Great Britain—and sold them at a profit. What did we get from it? We got merely an I O U. An entry was made on the books that the United States Government had that day shipped several cargoes of beef, cheese, bread, and so forth to Britain. If the shipments amounted to \$2,000,000 or \$3,000,000 worth, we were given credit for it on the books in Great Britain; that is to say, they acknowledged that they owed that much to us. After that, as I have said, the goods found their way through the regular wholesale and retail channels to British civilians. Upon those goods profits were realized by the wholesale and retail merchants who disposed of them. Ad valorem taxes were paid on the goods, and income taxes assessed on the profits made from the sales

were paid into the Treasury of Great Britain.

Mr. President, what did we finally receive three or four months ago in repayment of the thirty billions we advanced less than four billion in reverse lend-lease? A cancellation of the whole transaction. We gave to the British, I repeat, \$30,000,000,000 in lend-lease, and in the form of services we received \$4,000,000,000. I do not have the amount before me, but I know that quite a quantity of vegetables were produced and sold to some of our soldiers while they were stationed in Great Britain, and that electric power was furnished to the camps there. In addition to what we sent through lend-lease, we spent millions of dollars in the Pacific on possessions of Great Britain, Australia, and others. We spent millions of dollars in the British Isles. For all I know, it has reverted to them. Yet, Mr. President, some would say that we did not make sacrifices during the war. Such propaganda does not make me flinch at all. It is pure, unadulterated propaganda. If we were to consider all of the surplus goods which we left in the British Isles when the war ended, as well as the goods which were in the pipeline that is on the way, we would find out that they aggregate in value between \$6,000,000,000 and \$7,000,000,000. Did we receive any of it back? I should say not. Those goods were sold to the British on their I O U's. Between \$6,000,000,000 and \$7,000,000,000 worth of goods, which were paid for here and sent to the British shores, were settled for by Britain giving to us her I O U's in the amount of about \$640,000,000. And what about cash? Did we receive any? No. Only a promise and if and when we are paid, we must expend that cash on British soil. We cannot get it from Great Britain and spend it in the United States in helping some of our needy soldiers. We may not use the money to build homes for soldiers. Oh, no. We must spend the cash, when we get it, in the British colonies. Yet, it has been said that we have not made sacrifices. In further expressing myself on that point, I shall refrain from using the language which comes to my mind.

Mr. President, there is another phase of the issue which I should like to discuss for a few minutes. I refer to our ability to keep on dipping down into our Treasury in aid of Great Britain and other nations. There is a limit beyond which no nation can go. I contend that we have made sacrifices undreamed of. During the war our people went all out. I should like to have any Senator—there are two or three on the floor at the present time—tell me what is the yardstick by which a country is to be judged in its ability to loan money to another country. What is it, Mr. President? Is it the size of the country's population? That cannot be, because, of the population of the entire world, we have about 5½ percent. I believe that the British Empire has four or five times as much. Is it the extent of the land owned, occupied, or controlled by a nation? It cannot be that, because in this country we own only approximately 6 percent of all the land in the world, and the British Empire owns

about 30 percent. Is it the country's debts? I believe it is, because the record shows that we in the United States today owe \$278,000,000,000. Mr. President, how much do you think the British Empire owes? They control 30 percent of the area of the world. They have at least four and perhaps five times more natural resources than has the United States. Their entire debt is only \$133,000,000,000. That includes the debt of England, Scotland, North Ireland, Wales, Australia, New Zealand, Canada, and all the other British commonwealths and colonies. In other words, our Nation today owes \$145,000,000,000 more than does the British Empire. Yet, we are being asked to lend Britain more money. Why, Senators, today we owe \$68,000,000,000 more than the combined debt of all our allies. I include the British Empire, Russia, China, and all the other of our allies. Of course, Japan, Germany, and Italy are excluded from the calculation. We owe \$68,000,000,000 more than is owed by all of them together.

Mr. President, I will go a step further and say that, because of the conditions which now exist in Germany, in Japan, and in Italy, I am satisfied that there could not be issued valid securities with a value equal to \$68,000,000,000—that being what we owe in excess of what is due by all the Allied Nations combined. For that reason I conclude that today our Government owes as much money as is owed by the remainder of the nations together, yet the hat is being passed around every now and then for us to help this country or that country which may be much better off financially than are we.

Mr. President, it looks as though our great country, for which we fought so hard in order to preserve it, is to be penalized because it is progressive and because it is made up of people who are progressive and who have a burning desire to go forward. I want to see our country preserved. I do not want it to be destroyed. I do not want our economy to be pulled down by the British Empire or by any other nation. We must preserve our economy, and I know of no better way to accomplish that than by remaining strong—financially and in every other way.

Mr. President, whenever the hat is passed around for the purpose of receiving aid in a world cause, such as UNRRA and other worthy causes, we contribute in proportion not to our debt at all. I do not know how it is figured out, but of the entire fund which was spent for UNRRA in order to help starving people all over the world, we contributed 70 percent. I do not mind that. So far as I am concerned, I would vote for more funds in order to help unfortunate peoples throughout the world. But in bailing out countries and aiding them there is a limit beyond which we cannot go, and I am pleading with the Members of the Senate to give consideration to the proposed loan in the light of the effect it will have on our economy.

Mr. President, the British have brought about, through their own machinations, the conditions which now confront them. They have had similar methods of doing

business, either one way or the other, ever since William the Conqueror took the British Isles in the year 1066. They have always been able to obtain possession of land in one place, control in another, and then get other nations to help them to maintain their control and what they have had. I am not going to vote a red sou to enable Britain to perpetuate methods of that kind, which are inimical not only to the United States, but to the world as a whole. It is time to break the log jam.

As I said here day before yesterday, economic wars usually lead to shooting wars. Let us consider Bretton Woods, which I discussed a while ago, the plans which were developed by 44 nations, and which our great President said would cure the evils which followed in the wake of a cruel war. Let us use those instrumentalities and methods by which and through which we can reestablish the economy of most of the nations of the world. Let America be in a position to look Russia in the eye, to look China in the eye, as well as all the other nations, and say, "You have all been treated alike."

Taking that attitude, and doing things in that way, we can maintain, we can improve, world leadership. Today the nations of the world are looking to America for leadership, and let us not give way in our attempt at leadership by trying to help one nation over another, or a few nations as against others. There is nothing that will more quickly destroy the effect of the United Nations than for the United States to show preference in helping one nation over another. We cannot afford to do such a thing as that.

Today the Russians have little or no confidence in the British. Why that is, I hesitate to say. Perhaps I could guess. If we should attempt to help the British in preference to the Russians, I am sure that whatever enmity may now exist between us and Russia would be greatly increased. The breach between us and Russia is not great now, but it can be widened considerably if we make attempts to side with Great Britain, or, in fact, any other nation. If we aided Great Britain to the exclusion of other nations, as is now being sought, the Russians would think we were doing it from ulterior motives, and that would have a tendency to widen the little breach which now exists between us.

I want the United Nations to function, to operate in an orderly manner, and the nation which will make it go forward will be the United States of America. Let us not take any steps now or hereafter which will in any wise take away from us our place of leadership. We can lose it overnight if we show preference for one nation over another—forming a bloc here and a bloc there. Others would do likewise, and in that situation the United Nations would not be able to function. The organization would simply die, just as the League of Nations died last month. I do not want that to happen. I voted for the United Nations, and I want to see it prosper. I want the organization to serve as the instrumentality through

which and by which all nations shall attain permanent peace.

Mr. President, I do not want to stand in the way of helping Britain if she needs help as it is said she does. I am willing to increase the capital stock of the Export-Import Bank at any time so as to afford more money with which to lend to Britain and other nations. I am willing to increase our share of funds in the International Monetary Fund and the International Bank provided for in the Bretton Woods agreements. I want every nation in the world that needs help, or is entitled to help, under the proposals, to be treated the same as other nations are in obtaining it. I do not want to give to one nation a chance to borrow money for its rehabilitation through one method and then make a different contract in the case of a preferred nation.

Another suggestion is that we grant loans to Great Britain on good security as we might wish to do for any other nation. I would have no objection to that.

I understand that during the war Great Britain borrowed about a billion dollars or more on securities of corporations which were organized and doing business in the United States. Of that billion or billion and a quarter dollars there is still a balance due of \$200,000,000. The stocks referred to are very productive in the way of returns. They pay handsome dividends, and as Mr. Jesse Jones pointed out in the editorial which appeared in the *Houston Chronicle*, and already made part of the *Record*, Great Britain has in this country today assets aggregating \$3,000,000,000. I would be willing to take some of those assets as security, and I would be willing to wager that some of our banks in the United States would cheerfully lend a few hundred million dollars on some of the General Motors stock owned by Great Britain, and on the stock of some of our other leading corporations throughout the United States.

Aside from the \$3,000,000,000 of assets which the British have in the United States, Mr. Jones said "It has been estimated that the assets of the British in other countries than ours total \$8,000,000,000." Why cannot some of that be used in order to safeguard and secure these loans?

Mr. President, we could spend, and I would advocate the spending of, as much as \$2,000,000,000 for the purpose of purchasing strategic materials for this country. We need rubber. We need tin. We do not have natural rubber, nor do we have tin. We are dependent upon those resources which are in British and Dutch possessions. We need more oil. We have much of it, but I should like this country to buy more and store it. We could buy from the British, and give the British dollars for from \$1,000,000,000 to \$1,500,000,000 worth of strategic materials. In other words, the British could use their currency with which to buy it, and when the British sold it to us we would pay in dollars. That would solve much of Great Britain's problem. But, no. She has been so used to getting something for nothing from us that she

will not try that method or any other method.

My challenge is this: Before we do what is now proposed to be done in the way of a loan, let Great Britain sell us strategic materials, and we will help her in that manner. I believe we could sell much material to her on credit, and I would be willing to advance some of the raw products in this country to the British in order to help her. But, Mr. President, I am unwilling to go the route that has been proposed by way of a loan.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSON of Colorado. I wanted to be sure I understood the Senator's argument. He said Britain could pay for goods bought by her for sale to us, with her silver. Does the Senator mean that she could pay it out of the assets of the silver area?

Mr. ELLENDER. Oh, no.

Mr. JOHNSON of Colorado. The Senator did not mean that it be done with silver metal, did he?

Mr. ELLENDER. I am sure the British have in their possession sufficient liquid assets in the nature of their own currency to buy one-half million tons of rubber in the Malay Peninsula, let us say, pay for it with her own currency and sell it to us for dollars.

Mr. JOHNSON of Colorado. The Senator meant that she could pay for it with sterling?

Mr. ELLENDER. Yes; her own currency.

Mr. JOHNSON of Colorado. The Senator used the word "silver." The Senator meant "sterling."

Mr. ELLENDER. Yes; that is what I had in mind.

Mr. JOHNSON of Colorado. That makes it perfectly clear.

Mr. ELLENDER. Mr. President, I would make another suggestion. Great Britain had better realize now, before it is too late, that she cannot expect to maintain her economy whole. That is out of the picture. Great Britain at one time was the greatest manufacturing nation in the world. The only natural resources she had on the islands were considerable coal and some iron. She was able to import raw products from all parts of the world and in return sell the finished products to the countries from which she imported the raw products. In many instances, in the early days, she used the "big stick" on her colonies and forced them to give raw materials to her in return for her finished products.

But those days are over, as I stated yesterday and the day before. The British Commonwealths have broken the apron strings, as it were. They are out for themselves. They are more independent. They are fast developing industrially, and as a consequence the commonwealths have taken much of British trade away from her. Canada developed industrially immeasurably during the last war, and she is going to be one of the chief competitors of Great Britain in South America. As a result of their industrial development during the war, New Zealand and Australia will

also be competitors of Great Britain on the other side of the world, in the Pacific, Java, Sumatra, Borneo, and many of the Pacific islands. So the British today are not in the position in which they were in times past. Great Britain cannot say to a colony, "Just a minute. We do not want you to establish manufacturing within your bounds. We are going to do all the manufacturing in England. What we want from you is your raw products and we will sell back to you finished goods." She cannot say that any more. Her shipping is greatly reduced. Her investments have not been totally depleted, but they have been reduced very much during the war.

So my advice to the British is that, before it is too late, the British Isles themselves in some measure should be depopulated. Let her move some of her industry and her people from the British Isles. There should be a plan worked out whereby a part of the population of Great Britain could be shifted from the British Isles to Canada, Australia, New Zealand, and South Africa. Furthermore, the industrial development of Great Britain should be curtailed. Many of her industrial plants should be moved closer to the raw products. In that way I believe she can survive. But my contention is that she cannot expect to survive as a great manufacturing nation, in view of the fact that she is obliged to import the major part of her food and the major part of the raw products she uses.

Mr. President, we have a great task before us in the wake of this cruel war. We have lost many fine boys and girls. Many have come back without arms, without eyes, without legs. Many have come back to find themselves homeless. It is up to us to rehabilitate them. In this country one-third of our people are living in shabby homes. A large percentage of our population cannot obtain proper medical care. The States in many instances are unable to furnish such assistance. We have the problem of giving more and better education to the children of our Nation. The South, which produces more children per family than are born in other parts of the country, is poor. Let us consider South Carolina, for instance, a great State. The Senator now presiding over the Senate [Mr. JOHNSON] comes from the State of South Carolina. In that State the ratio of adults to children is as follows: For 1,000 persons of age from 20 to 65 there are 765 of age from 5 to 17. What do Senators think the ratio is in New York? The ratio of adults to children of the same ages as those I gave previously, is 1,000 to 410. In New Jersey it is 1,000 to 365. In California it is 1,000 to 260.

Something must be done by our Government in order to give proper education to the children in the poor States, because the children from the poor States when they mature become the citizens of the Northern States, where people are not so prolific in having children as we are in the South.

It is essential that something be done by the Federal Government. Many bills on this subject have been proposed dur-

ing my incumbency in the Senate. This was one of the first problems which I attacked in 1937 when I came to this body. But so far we have not been able to do very much. I am hopeful that we shall, because it is necessary to solve this problem.

Take the question of hospitalization. Three or four months ago a bill was passed by the Senate which provided an authorization of between \$300,000,000 and \$400,000,000 over a span of 5 or 6 years. That is a mere drop in the bucket. The situation will require more, and more ought to be appropriated.

So, Mr. President, in our own Nation we have many problems which require financing for their solution. Can we afford to solve them if we must dig into the jeans of our people, who are now much overburdened, and make loans such as the one now proposed? No, Mr. President; we shall never be able to do that. The Lord knows that it is necessary to solve many of these problems. I do not know how much will be required to rehabilitate the soldiers of World War I and the soldiers of World War II. After every war we have fought so far we have paid pensions. We paid pensions to Civil War veterans and also veterans who fought in the War with Spain. Just as sure as that I am standing here a move will soon be made to pay pensions to veterans of World War I and it might not be improper to vote for a proposal of that kind if it ever comes before the Senate. The time will come when we shall need to help the millions of soldiers from World War II by way of pensions.

In housing alone we could spend several billion dollars in order properly to house our own people. So far as I am concerned, I would rather spend the money here than in an effort to bail out another country and help her to maintain a system of her own creation which has caused the trouble in which she now finds herself.

Mr. President, I do not know of a measure which I have ever considered, either in this body or when I was privileged to be a member of the Louisiana legislature for 12 years, which has given me more concern than the pending proposal. I have studied it from every angle. I have tried to resolve whatever doubts I had in favor of the British. But I can find no reason why we should veer from the orbit provided for in the several plans which I have been discussing. We must follow the course laid out by us with the help of other nations; and I for one am willing to help. But let us treat all nations similarly under similar circumstances.

Mr. JOHNSON of Colorado. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MYERS in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Bridges	Byrd
Austin	Briggs	Capehart
Ball	Brooks	Capper
Bankhead	Buck	Carville
Barkley	Bushfield	Cordon
Brewster	Butler	Donnell

Downey	Langer	Robertson
Eastland	Lucas	Russell
Ellender	McCarran	Saltonstall
Ferguson	McClellan	Shipstead
Fulbright	McFarland	Smith
Gerry	McKellar	Stanfill
Green	McMahon	Stewart
Guffey	Magnuson	Taft
Gurney	Maybank	Taylor
Hart	Mead	Thomas, Okla.
Hatch	Millikin	Tunnell
Hawkes	Mitchell	Tydings
Hayden	Moore	Wagner
Hickenlooper	Murdock	Walsh
Hill	Murray	Wheeler
Hoe	Myers	Wherry
Johnson, Colo.	O'Daniel	Wiley
Johnston, S. C.	O'Mahoney	Willis
Kilgore	Pepper	Wilson
Knowland	Reed	Young
La Follette	Revercomb	

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

Mr. FULBRIGHT obtained the floor.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HATCH. Many statements have been issued concerning the British loan. Yesterday I happened to see an excerpt from the Washington Letter of the American Federation of Teachers, in which the chairman of the organization's committee on international relations, Selma Borchardt, states the position of that organization on the loan. Because the statement is so succinct and direct, I wish to read it.

THE BRITISH LOAN

There is an obvious and essential comity of interests between the British and the United States. There would seem to be little need to develop this theme in our group.

An enlightened self-interest would prompt our support of the British loan, to assist our economic development and theirs as well, to make the tie between us material as well as moral.

The American Federation of Teachers executive council has endorsed the proposal for the British loan.

Mr. FULBRIGHT. Mr. President, in following the discussion of the financial agreement under consideration in the committee and here in the Senate, we are likely to become confused over the vast amount of statistics that are brought in to support some minor point as to how much trade we may expect, or how much money or assets the British own. Our discussion is likely to bog down over the complexities of international trade, blocked sterling, and dollar pools although these details are but the trimmings on the fringe of the main problem. As the Senator from Michigan [Mr. VANDENBERG] so aptly put it, "it seems to me that there is a tendency in some quarters to so concentrate on details in respect to this joint resolution that the larger, total concept is obscured—like those who are so close to the trees that they do not see the forest." There is more to the agreement than larger markets or an adequate interest rate.

Mr. President, before getting into a discussion of the merits of the agreement, I should like to say a few words about one or two preliminary matters.

In the first place, for more than 3 months this agreement was thoroughly and intensively studied and discussed by

the best financial and commercial brains in our Government. The various terms of the agreement are interrelated. To adopt any of the proposed amendments to this agreement would be the same as to reject the agreement. We should approve the agreement or reject it honestly and frankly, but not by delaying it or amending it to death.

I can well understand and sympathize with any Member of Congress when he is faced with the necessity of making difficult and controversial decisions in an election year. Nevertheless, decisions must be made and I sincerely hope the Senate will make a clear-cut decision in this instance. To put off consideration of this measure or delay it until after the election next fall is equivalent to an absolute rejection, but without the honesty of the latter.

Mr. President, if the details of this agreement are not as favorable or as wise as they should be, that is primarily the fault of our own representatives who for 3 months struggled over this agreement here in Washington. It is intolerable for a great nation like ours, to negotiate these important agreements and then have them picked to pieces by quibbling over details. If our technicians and Cabinet members are stupid or unqualified, they ought to be fired and new ones substituted. The real question for us to decide is not one of detail, it is a question of broad policy and that policy should not, and I hope will not, be a matter of compromise and amendment.

Mr. President, representing the United States in the negotiations with the British last year were the Secretary of State, the Secretary of the Treasury, Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Export-Import Bank. The experts of these various departments, of course, joined in the consideration of the problem. Surely we can assume that all these men are as interested as we are in promoting the best interests of the United States. I think it is our function as Senators to decide the basic policy of whether we are or are not to play a large role in rehabilitating the world. In other words, we rightly determine the broad policy of participation or nonparticipation, but it seems to me that when it becomes a question of how much should be loaned and the precise conditions of the loan that question is properly one for those whose experience and knowledge have qualified them as experts in international finance and foreign political relations.

I believe that we should either withdraw into our shell and prepare for all-out political and economic competition with the other nations on a bilateral basis, or we should try to make Bretton Woods function and restore insofar as possible the opportunity to trade freely on a multilateral basis.

In view of the long negotiations of our best financial brains, I can see no merit in our taking the position that they were wrong on the question of the amount necessary to meet the situation confronting us. As I see it, to adopt the amendment of the Senator from Indiana would

in effect be equivalent to a rejection of this loan. It would also carry the necessary implication that we do not intend to pursue Bretton Woods, but, on the contrary, intend to discard that approach and revert to the bilateral or barter system. It likewise carries the implication that we either have no confidence in the only other major democratic country, or that we have no interest in its survival as a strong influence in world affairs.

Furthermore, Mr. President, if we repudiate our representatives, I think it will confirm in the minds of the world the suspicion that it is impracticable to carry on serious diplomatic or economic negotiations with this Nation. After the last war we repudiated the agreements made by our Executive regarding the League of Nations. If we repeat that course of action in this instance, I think it is obvious what the reaction will be.

It is a curious situation for a great country like the United States to be in, that there is no way by which it can negotiate and the other party be able to rely upon the undertakings of our representatives. Unless we support our own representatives, there is no practical way in which we can make agreements with other countries.

Certainly the Senate of the United States is not so organized that it can conduct such negotiations directly. Yet many Senators have complained on the floor of the Senate that they were not advised, that they did not participate in these negotiations directly. It seems to me that is an utterly futile criticism of the negotiations. I personally know that a great number of Senators knew all about what was going on at the time, last fall.

Mr. FULBRIGHT. Mr. President, I think it is significant that this agreement has received such extraordinary support from widely diverse groups of Americans. Anyone will agree that it is not often that the CIO and the A. F. of L. are found in agreement with the United States Chamber of Commerce, the American Farm Bureau Federation, the Farmers Union, and all of these, in agreement with the chairman of General Electric, and of the Chase National Bank, Mr. Aldrich. Many people were sure that the Zionists would oppose this loan because of their bitter opposition to British policy in Palestine, but I want to read from a recent editorial by Rabbi Wise, a leader of the Zionist movement. In view of the long and bitter controversy between the Zionists and the British, I think this editorial shows an extraordinary degree of statesmanship and foresight. In my judgment, the recent report of the commission that was sent to Palestine gives further point to the editorial. This was in the April edition of the *Journal of Jewish Life and Letters*. It is entitled "Loan to Britain," and I quote:

We again fail to know that we are about to deliver ourselves of a judgment which will be most unpopular and unacceptable to many of our readers; but something of the first importance is at stake, and this is a journal of opinion, intelligent and unafraid.

The question has been raised whether Jews should not oppose the granting of a loan running into some billions on the part

of our country, to the British Government. That the proverbial anti-Britishers will avail themselves of this opportunity to disclose their never-falling enmity to everything British, is sure. The America Firsters will, of course, indulge in a perfect orgy of anti-British phobia.

But, we face another problem. Shall American Jews oppose the loan, in view of the British Government's undebatable unfairness to Palestine and the Jewish people? Why should not American Jewry oppose the loan and by its opposition move England to understand that we are not as impotent in the United States as the Colonial Office would have us be in Palestine. The answer is: "we are American Jews." We are not only Jews, but we are Americans. The real problem is, will this loan be good for the American and the British people? If it be good for our country, and if it is to be helpful to Britain, have we the right as Americans to permit our dissatisfaction with the British Government's handling of the Palestine question to move us to pursue a vindictive course against Great Britain? We must have in mind that failure to ratify the loan may be as hurtful to our own country as it would be to Britain.

That, I think, is a very significant statement. I continue reading:

If Philip Murray, one of the truly great and wise American labor leaders, holds that the loan would advantage our country, shall we American Jews use the loan or its denial as a stick with which to strike the British Government, the British people, and our own country no less? After the most profound and searching consideration of the problem opinion is moved to register the judgment that in a matter which has no direct relation to Palestine and its problems we have no right to permit our feelings with regard to the British Government's grievous injustice concerning Palestine to move us to do wrong to the British Commonwealth, and it may be to our country.

It is not difficult to see the other side of the problem. It is easy enough to recognize the sometimes heartbreaking provocations under which Jews have rested in relation to the Colonial Office and, indeed, the British Government. One must, however, finally add that a great wrong will not condone another wrong. Wrong is wrong, and if the general denial of the loan to Britain is wrong to the British people and to our own country we, as loyal American Jews, have no right to insist upon that which, apart from being gravely misunderstood throughout the world, will misrepresent Jews as if we were primarily and eternally an unforgiving and revengeful people. We are not that, nor do we wish to seem that.

Mr. President, in my opinion, that statement is in marked and great contrast, favorable to the Jews, to the statement I received a few days ago from an Irish organization in this country attacking the loan, obviously because of ancient grievances growing out of difficulties of 50, 100, or 200 years ago.

While I am on this aspect of the question, I wish to read a few excerpts from other leading groups who have not appeared before our committee. This collection of quotations from which I read was prepared by a committee under the chairmanship of former Representative Charles S. Dewey, a Republican, from Chicago, who has given his services for this purpose. The information to which I am about to refer was compiled by a Special Committee on British Loan Agreement, consisting of men with whom all Senators are familiar, men like Mr.

Eric Johnston, Mr. Philip Murray, Mr. Edward O'Neal, Mr. James G. Patton, Mr. Philip D. Reed, and there was Miss Anna Lord Strauss, president of the National League of Women Voters.

I point out some of these statements primarily to show the diversity and the varied support of people who, I believe, are qualified by their experience to give a valid judgment on this loan. However, to make it complete, I wish to read very short excerpts from certain public officials in order to give a complete picture.

The first quotation is from President Truman's statement on December 6, 1945:

These arrangements, if carried out, will put an end to the fear of an economically divided world; will make possible, throughout the world, the expansion of employment and of the production, exchange, and consumption of goods; and will bring into being, for the first time, a common code of equitable rules for the conduct of international trade policies and relations.

I now quote from a statement made by Secretary Byrnes on February 11, 1946, at the Foreign Policy Association in New York:

Our ultimate prosperity heavily depends upon whether the economy of the world is free or in chains. * * * No American seriously contends in this day and age that the prosperity of the wheat farmer of the Dakotas, the cotton grower of the Carolinas, or the market gardener of California is not directly linked to that of the miner in Pennsylvania and the manufacturer in New York.

* * * The British credit is a large investment undertaken to gain an even larger objective. Without it our efforts to construct an expanding world economy may well be frustrated. With it we shall have won the support of a powerful ally in our efforts to break down those harmful economic practices which throttle trade, perpetuate poverty, engender ill will among nations, and sow the seeds of conflict.

Secretary of the Treasury Vinson, on January 9, at the Academy of Political and Social Science in Philadelphia, said:

The amount of the proposed British credit is large, but it is needed to do the job. Three and three-quarter billion dollars is a lot of do-re-mi in anybody's book. But war, including its aftermath, is costly business. This loan represents about 2 weeks of our expenditures for war toward its close. In my judgment, this is not an expenditure but an investment. It is sound business for America.

We, more than any other country, are concerned with the kind of economic world that is now being built. The fact is that we would be the primary target in the continued use of restrictive and discriminatory currency and trade measures. There is no doubt that we could take counter measures. There is no doubt that we could defend ourselves if economic warfare should break out. But the cost to us and to the world would be reflected in decreased trade, decreased employment, and lower standards of living. Neither we nor any other country can afford a breakdown in international economic relations.

The significance of the financial agreement with Britain goes far beyond its economic effects, important though they are. This is a world in which all countries must work together if we are to live in peace and prosperity. The alternative—God save us—is to perish together. Mankind surely has the wit and the will to choose not death but life.

I wish to read a short excerpt from a very fine speech made on February 19 by

Under Secretary of State Acheson, as follows:

Britain and the United States provide the currency which * * * will be the currency with which two-thirds or three-quarters of the trade of the world is conducted. * * * Before the war * * * that little island (of Great Britain) was like a lung. It was the breathing in and out—the drawing in of imports and the sending out of exports—which was one of the great activating forces of world trade. * * * Every part of the world was activated by British and American trade.

There are several other excerpts in this book from Dean Acheson, and some from Mr. Will Clayton which I shall for the moment pass.

I read a short sentence from a statement issued by the executive council of the American Federation of Labor:

Furthermore, Britain constitutes the last and most powerful bastion of democracy in Europe. The British way of life comes closer to our ideas of the value of individual life and freedom than any other. We cannot afford to let that way of life be snuffed out by economic ruin.

From the banking world I have already mentioned Mr. Aldrich, who appeared before our committee. I wanted to call the Senate's attention to his statement made in the hearings.

Mr. Ralph E. Flanders, chairman of the Federal Reserve Bank of Boston and chairman of the research committee of the Committee for Economic Development, also made a statement. One paragraph from that statement, I think, will be appropriate at this point:

It is my belief that this British agreement constitutes one of the engagements in this new kind of struggle. * * * In this long struggle * * * in which rival ideas strive for the mastery of the world's economy and social organization, this is the first skirmish. Let us not lose it.

If we are discerning, if we are vigilant, if we are energetic, this support of a free economy in the British Empire will be the first of a series of successful engagements in a friendly competition with the Soviet Union for the well-being of the world.

The National City Bank of New York joined the other financial institutions in making a statement quite similar, but I think it is worthy of our notice. I read as follows:

The loan and the agreements that go with it represent an effort in the direction of re-establishing world trade on a multilateral basis, which has always been the American system and was that of Britain during the heyday of British expansion up to the First World War. Without the loan, it seems inevitable that Great Britain would have to follow the pattern on which Germany operated in the twenties and thirties—that is, bilateralism, trade quotas, exchange controls, and managed currency. With the loan accord, there is at least a fighting chance that we and Britain, working together, could reconstruct the kind of an international trading system which will best promote growth and stability in world commerce.

From the business world, Mr. Eric Johnston, president of the United States Chamber of Commerce, in a statement made on February 12, had this to say:

I am betting on capitalism because I think we will have an expanding economy in the world. The British loan will be a vital step

in that direction. We aren't doing this for the British. We are doing it for ourselves, for our system of capitalism, for an expanding trade, for greater opportunities for all. If this loan is rejected, we create a great vacuum in the world of commerce which we, or any other nation, are unable to fill. We can't afford not to make this loan.

There are a great many other statements from business organizations. One, however, which is of particular interest to those of us from the South is by the board of directors of the Texas Cotton Association, on January 29, 1946, which I shall read:

Whereas it is imperative * * * that a free exchange of goods and services be re-established between the nations of the world; and

Whereas there is now an acute shortage of dollars in the hands of former customers of the United States which stands as a serious threat to the revival of reciprocal commercial transactions; and

Whereas the granting of dollar credits offers the only foreseeable hope of rebuilding orderly international trade relationships without which we feel there can be no hope of lasting peace: Therefore be it

Resolved, That the board of directors of the Texas Cotton Association * * * earnestly urge Congress to approve the loan to Great Britain.

There is a similar statement from the board of directors of the Houston Cotton Exchange and Board of Trade, and from the Foreign Traders' Association of Philadelphia, and a great many others which I shall not take the time of the Senate to read now.

There is one statement from the McGraw-Hill Publications of April 1946 that I thought particularly good:

If the weight of British influence in foreign trade is thrown toward the Russian pattern rather than toward ours, it is apparent that bloc trading, with all of its supporting devices—bilateral deals, exchange controls, import and export quotas, subsidies, currency manipulations and the like—will be the prevailing pattern for foreign transactions.

Most of all, we would lose in prestige, through demonstrating that we are still unprepared to exercise a world leadership to which our giant stature as the possessor of almost half of the world's economic capacity entitles us. Once again we would be exhibiting to the world political feet of clay supporting an economic frame of heroic proportions.

The way to exercise leadership is to lead. Nothing could be more futile than to go half way toward establishing the economic order for which we stand, and then withhold the crucial measure that will make it work. Failure to approve the loan to Britain will be a clear default of leadership. Failure to approve it promptly will dissipate its effectiveness.

For the loan to Britain, it can be said that never before has one nation had an opportunity to gain so much at so little risk as has the United States in this uniquely decisive case.

There is one short statement from the farm group. The Farm Bureau has already been mentioned. I read a sentence from a statement made by the National Farmers Union:

We have agreed that freer exchange of goods in world trade is absolutely an indispensable foundation for the peace. The British loan agreement presents us with the opportunity to begin to do what we have agreed is indispensable.

There is a statement here made by the American Veterans Committee and several statements from church organizations. The Federal Council of Churches of Christ is one. I shall read only one excerpt from the Council, as a sample. This is from the Federal Council of Churches of Christ in America, Columbus, Ohio, March 7, 1946:

We recognize that the proposal for an extension of credit to Great Britain, now before the Congress of the United States, represents the kind of practical assistance which is imperative for world order. We also urge that permanent machinery be established under the Economic and Social Council to help meet world needs for emergency relief, when UNRRA comes to an end.

There are a great many excerpts from public interest groups. There is one from the American Association of University Women, for example, as follows:

The AAUW, therefore, urges that the loan to the United Kingdom be given immediate and favorable consideration by Congress, as an important step toward the building of a sound system of world economy.

There is a quotation from the National Board of the YWCA. There are several from councils on foreign relations. There are quotations from some of the leading periodicals in the country. There is one short paragraph appearing in an editorial in Life of December 31, 1945, which I think is particularly appropriate:

The British loan is not in itself the answer to anything. It merely keeps open the door while Americans decide whether they want a free, prosperous, and expanding world or not. It is one of the great decisions in America's history. It will be tragic if we are not equal to it.

There are similar statements along that line from News Week, New Republic, Saturday Evening Post, Nation, New Leader, Foreign Affairs, Grace Log, and others.

The next group is that of the radio commentators. I shall read only one or two from that group. Among them are Frank Kingdon, H. V. Kaltenborn, Elmer Davis, Richard Harkness, H. R. Baukhage, Gabriel Heatter, Raymond Swing, and John W. Vandercook. I read from a statement made by Richard Harkness on March 5, 1946:

If the loan goes through * * * it will be not because of anything any administration spokesman may say or do, it will not be because of anything that may be said or done at London. Passage of the loan will be because of growing anxiety in Congress over the present activities of Russia.

Baukhage, on March 6, 1946, said:

It was especially interesting to me to note in the analysis of the Gallup poll that the people who knew most about the British loan and had a better education and therefore are better equipped to understand its importance were in favor of it. And I find the same tendency in the letters that I get on the subject. In most cases opposition is based on emotional prejudices while support is largely based on common-sense reasoning.

On December 6, 1945, John W. Vandercook said:

Among the short-sighted and those who are inadequately informed, the understanding reached on the British loan will no doubt be interpreted much too simply as just

another lavish hand-out by wealthy Uncle Sam. The notion that all the advantages will accrue to England and none to America is effectively disposed of by the fact that the loan proposal is bound to meet some strong opposition in London where many Englishmen feel that the United States is buying the kennel of top dog in world trade at a bargain price and by putting through this credit will have won the competitive position as world trader which we could not have obtained in any other way or had England not suffered so long from a wasting war.

Practically all the leading columnists whose statements I have ever noticed are listed in this booklet, and their comments are similar. Mr. Frank R. Kent, for example, who I should say is not generally noted for his foolishness in giving away money, said on March 2, 1946:

Leaving aside the strong economic reasons for the rehabilitation of our best customer, the very powerful argument is made that the surest form of security for us is to keep our one reliable ally with whom war is practically inconceivable on her feet; that this is the cheapest and best possible kind of defense for the United States; that failure to insure it would be national idiocy. Clearly this is the most potent argument for the loan. Once it is admitted, no other is needed.

There are a great many other comments which I shall not take the time to read, but I recommend for reference this booklet, of which there is a supply available from Mr. Johnson, Secretary to the Majority. There are also editorials from newspapers throughout the country favoring this loan. They include newspapers in Washington and Baltimore, the New York Herald Tribune, newspapers in Ithaca, N. Y., Watertown, N. Y., and in New Jersey, Pennsylvania, Delaware, Massachusetts, Rhode Island, Connecticut, Louisiana, Virginia, and, in fact, practically every State in the Union. On the next to the last page of the booklet there is an editorial from the Fort Smith, Ark., Times-Record of February 8, 1946. The Times-Record is one of the leading newspapers of Arkansas. I am very happy to notice several editorials from newspapers in my own State.

As I say, I read these not because they are in themselves a decisive factor, but as an indication of the extent and diversity of the support which this agreement has received, especially during the time immediately after its announcement.

I am, of course, aware of the opposition of General Coxey, Hamilton Fish, and Jesse Jones. I do not think that this opposition in any way detracts from the persuasive significance of the quality of the advocates of this measure, who appeared before the committee. This opposition is primarily indicative of the fact that this is still a democratic country and that every individual, regardless of his views, may express himself in public.

However, I believe that the unusual agreement that obtains among responsible organizations of American life—labor, management, agriculture, and capitalist—indicates clearly that there is more in this agreement than meets the eye at a glance. This extraordinary unity of views among people who usually differ on domestic policies indicates to

me that they have sensed that there is something more than a mere loan of money involved in this agreement. They may not be able, as I am not able, to describe exactly what that element is, but it is an element which obviously appeals to a great many Americans of diverse beliefs and interests in the American scene.

I believe that what these leaders of America have sensed is the fact that in some way the future of our American concept of individual freedom is involved in this agreement. The preservation of the integrity of the individual human being is about the only principle that I can think of that could appeal so uniformly to all the intelligent and thoughtful and patriotic men who have so strongly endorsed this agreement.

It is obvious that they all do not agree upon British imperialism or British socialism or affection for the British, if that is the issue involved. They do not agree upon our tariff policies nor upon our internal fiscal policies. Some are high tariff, some low tariff; some want a balanced budget, others prefer deficit spending. Some are nationalists, some internationalists, some are Jews, some Catholics, and some are Protestants, yet they all have come together as Americans in agreement on this measure. I do not for a moment mean to imply that those few individuals who have spoken out against this loan are not good Americans, I only question their judgment, their foresight, or, perhaps more accurately, their capacity to sense the deeper significance of facts, which is not obvious to a casual or superficial examination.

I refer again to the words of the distinguished senior Senator from Michigan:

This is not a matter of philanthropy. This is a matter of judgment, whether America, now the greatest creditor country on the globe, can best protect her own essential and inescapable position by these means; whether for our own sakes we must not accept the economic as well as the moral leadership in a wandering world which must be stabilized just as necessarily for us as for others.

The Senator never spoke a more profound sentence than the following:

If we do not lead, Mr. President, some other great and powerful nation will capitalize our failure, and we shall pay the price of our default.

That price, I believe, will be a repetition of the consequences of our failure to lead after World War I.

Mr. President, we spent hundreds of billions of dollars and hundreds of thousands of lives for this opportunity to create a better world. Are we now to turn our back on that opportunity by refusing to exercise the power of leadership brought to us by our victory? The United States can use this opportunity like some other great powers of the past to dominate and fatten for a time upon the resources of the world, or it can enter this world to serve it and, by serving it, save itself in the process.

Mr. President, I am confident that it is not the dire need of Great Britain that has brought about this unity of conviction among so many of our citizens. Many of the groups mentioned have no particular reason to be interested in Britain as such. On the other

hand, all have a profound interest in the preservation of the free democracy of America. No, Mr. President; it is not Great Britain that these Americans are seeking to save; it is these United States.

Mr. President, I believe that there is a sound historical justification for the view that involved in this agreement there is much more than a transaction to collect interest on a loan or to sell goods abroad for profit. The importance of this agreement to us arises out of the obvious fact that our democratic system is now confronted with the most serious test of its strength since the War Between the States. The principle of government of, by, and for the people must now prove its validity in competition with totalitarian dictatorship.

The ultimate and final outcome of this competition depends upon which system provides best for the welfare of the people. But in order for this decision to be reached in a rational and peaceful manner, it is essential that a trial by force of arms be avoided.

If we are to provide conditions in which a peaceful solution of these differences in ideals and political principles may be reached, I think it is highly important that the only other great power which approximates our own institutions of government and our ideas of justice and human dignity should survive and function in world affairs.

I am aware of the fact, Mr. President, that anyone who ventures a favorable remark about any country but one's own is invariably attacked by the super-patriots. One of the strangest psychological phenomena of modern times is the fact that if a man boasts that he is the greatest and best man on earth, his fellow men will think him a fool, but if the same man boasts in a like manner that we, as a nation, are the greatest and best people on earth, he is a patriot and a hero. In view of this well-known characteristic of communities of people, it is with considerable trepidation that I venture to remind you, Mr. President, that the basic institutions upon which our freedom rests have their roots in the history of the British people. It was as the result of difficult and sometimes bloody struggles that those people produced Magna Carta, habeas corpus, the Bill of Rights, and the parliamentary system of self-government. Of course, they did not originate the concept of justice, but they contributed to its development. Furthermore, may I add that I think this country's greatness is well enough founded, that we do not need to boast about it all the time. I certainly do not contend that the British have had a blameless history. I know as well as anyone that they have been arrogant and ruthless toward other peoples, but perfection, especially in political affairs, is, I should say, a relative matter. It may be that the world will discover a better system of government than we enjoy today. All that I presume to say now is that, since we are a democratic self-governing people, it is important to the preservation or survival of our present ideals of justice in the world that we have at least one powerful friend upon

whom we can rely. I know as well as anyone that we are a powerful industrial nation, but I also know that we have considerably less than one-tenth of the people of the world and that we shall need help, not merely for defense in war, but help in fostering peace and what we believe to be justice in the world.

I know that there are those among us who say that Britain cannot survive in any case and that we are wasting our money on a lost cause. It is unfortunate if we have arrived at such a judgment of the oldest democracy in the world. If it be true, then the prospect for democratic principles is indeed dark. I do not subscribe to such a view and I do not think such a view is supported by history. The real strength of Britain is not and has never been her financial balances or natural resources. Her strength is in the character of her people and in the inherent merit of her basic institutions, institutions quite similar to those upon which we have built our civilization.

I confess, Mr. President, that it is not difficult to become quite pessimistic about democracy simply from observing the indecision and frustration within our own system, and even, I might say, from observing the practices of the Senate itself and the way our debates on this measure are conducted. From the present confusion, indecision in our own affairs, it is not easy to see how we shall be able to escape with our liberties intact. Nevertheless, I do have faith that somehow we shall manage to pull ourselves together, get our bearings, and get back to work. The only real fear that I have for the future concerns our relations with the rest of the world. We have come to a position of power and influence, with relatively little experience or understanding of world affairs. While we ardently hope that reason may prevail in the UNO, we cannot forget that power is still the arbiter of those affairs. If we withdraw a second time from that world; if again we disavow the representatives of our Government who have negotiated agreements for us with other nations, I think it is inevitable that the world will lose faith in our responsibility as a great nation. There is no doubt in my mind that others will capitalize upon our default.

Mr. President, I should like to mention, in passing, two or three miscellaneous points which have been referred to from time to time during the debate. One point is the constant reiteration of the default of Great Britain on the debts of the First World War. I should like to read to the Senate a short passage from the record of the hearings, in order to call attention to that point. I shall read from page 251. There was an exchange between the Senator from Colorado [Mr. MILLIKIN] and Mr. Eccles, chairman of the Board of Governors of the Federal Reserve System. The Senator from Colorado asked:

I would like to have your observations on the weight that we should give to the fact that the British defaulted their World War I loan.

Mr. ECCLES. I wouldn't give it any consideration; absolutely none. I think that we are largely responsible, in a way, for that default. In the first place, Britain was a

partner in the last war. We pooled our resources then to lick an enemy, as we did now. That should have been on a basis of lend-lease at that time, but it wasn't; and to the extent, of course, that it wasn't, there was a postwar debt left over. I have some figures on that which seem to me significant, and there has been a lot of misunderstanding about what happened as a result of those debts. I understand Secretary Vinson gave you some figures on that the other day, but I will just repeat—

Senator MILLIKIN. I think it ought to be cleared up.

Mr. ECCLES. I will take what was loaned during the war. I think no part of that should have been charged to her. We were partners in a war, and no part of that should have been charged to Britain. It is true we charged it to her, and she loaned to France, and other countries, and they didn't pay her, and she didn't pay us. That is what happened. But after the war there was \$600,000,000, which was the total postarmistice loan that was made to Britain.

Now, here is what Britain paid: Up until the time of the moratorium, on all of her debts—that is including the war loan, which I said shouldn't have been charged to her—Britain paid on principal \$400,000,000, and she paid on interest \$1,600,000,000; or she paid a total in interest and principal, up to the time of the moratorium, of \$2,000,000,000.

Now, the total principal including the war debts was four billion three. That is, the total amount of money we let the British have, or goods we let them have, during the war as well as the postwar, was \$4,300,000,000. Up to 1931, when this country granted a moratorium, she had actually paid us in dollars two billion, or nearly half of the total amount in dollars.

Now, I don't think under the circumstances that that is a bad record, and I don't think that Britain should be called a defaulter because of that. I don't think that it should be made to appear that the British didn't intend and didn't desire and didn't want to pay their debt. We granted the moratorium, and she paid the payments until we did grant the moratorium. She did not default. We granted the moratorium. She might have defaulted if we had not, I will admit that, but we granted the moratorium in this country. I think there has been entirely a misconception of the British debts after the last war, and it is something that isn't nearly as bad as the opponents of the British would make it appear.

I shall skip a portion, a short exchange which was in pursuit of the same subject. I now read the following:

Senator MILLIKIN. But we did not agree to take goods from Great Britain, and my point is that—if it is involved at all, and I am trying to get the weight to ascribe to it—my point is that Great Britain unilaterally decided to quit paying.

Now, does that have any bearing on this new loan? If we put up tariff walls again, if Britain does not make the exports she expects to make—if, if, if—and the going becomes tough, may we not consider that we have a precedent in the picture for another unilateral default?

Mr. ECCLES. I would think definitely, if we considered it to our internal interest not to take foreign goods so that foreign countries could get dollars, whether we do it by quotas or tariff or whatever way—if we would consider it in our own interest that we shouldn't take foreign goods, in preference to taking them and having the loan paid, then the loan will default. We will make the choice.

Mr. President, another point to which I wish to refer is that several Senators, as well as others, in opposition to the

loan, have insisted that Britain will not or cannot pay. One Senator even insisted that she has no will to pay. I should like to read from a very short statement by the Governor of the Federal Reserve Board on that particular point, because I think his statement is quite interesting in that connection. I refer to another exchange between Mr. Eccles and the Senator from Colorado [Mr. MILLIKIN]. It appears at page 231 of the record, and it is several paragraphs long:

Senator MILLIKIN. I was just coming to that, Senator. You, Governor, have estimated the risks of this thing undoubtedly. You have taken into consideration that Britain must radically increase her exports if she is to pay. Do you feel reasonably confident she is going to be able to do that?

Mr. ECCLES. Well, I think so. I think that a country that has shown the strength that Britain has shown during this war period has something, and it is something worth saving. A country that will stand when other countries, often more strong, go down; a country that will stand as Britain stood, and a country that has been willing to impose upon herself a rigid program, an austere program, for years after the war, that her people have been willing to accept, and a country that has stabilized her exchange, a country that is carrying on her rationing with success and fairness, a country that has imposed taxes and has done a much better job of war financing than we have done, a country where black markets and tax evasion are almost unheard of, shows a capacity for government that is rare in this world.

Senator MILLIKIN. It shows basic character.

Mr. ECCLES. It does. It shows a capacity that we should recognize, and we should be willing to help. We need that kind of people in this world. I think that the British performance as compared with the performance of the continental countries and other countries throughout the world is magnificent. When you take into account the problem that she had and the stress she was under, this country can do nothing less, in my opinion, than to give this financial help in this way.

Mr. President, another point which has been raised—and it is a very important one—is the question of the debt of the citizens of the United States; in other words, the internal debt of the United States, which now is approximately \$275,000,000,000. I grant that this is a very serious matter. It is said that we owe a much greater per capita debt than do the people of the United Kingdom; but let me say that the far more significant figures are for the per capita debt in relation to the income of the country. I wish to draw the attention of the Senate to two points in the record. First, let me refer to page 299, which I am afraid some Senators may overlook. It gives the information which we should have, and I wish to invite attention to one or two items to be found on that page, in connection with the point that we owe so much money—and it is true that we do.

Mr. President, the table from which I shall read is to be found at page 299 of the record of the committee hearings. It will be noted that for the United States the public debt, in terms of the percentage of the national income, was 154 percent. These percentages are based on 1944 figures, I believe. The

public debt of the United Kingdom was 290 percent of its national income—almost three times, whereas we owed a little more than 1½ times our national income. The public debt of Canada was 166 percent of her income; for Australia, 223 percent, and for all of the British areas mentioned in the table it was 207 percent. So, Mr. President, our debt was not nearly so large as that of several of the other countries mentioned, when we consider the debt in relation to the national income per capita.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Arkansas yield to the Senator from Colorado?

Mr. FULBRIGHT. I yield.

Mr. JOHNSON of Colorado. Will the Senator tell us upon what years those calculations are based?

Mr. FULBRIGHT. The print of the table in the hearings is very fine and is difficult to read.

Mr. ELLENDER. Mr. President, those are figures for war years. Our income was great in those years because during that time we manufactured a great deal of material, and many of our manufacturers made large profits.

Mr. FULBRIGHT. It was my understanding, although I may have been wrong, that Canada was also in the war.

Mr. JOHNSON of Colorado. Canada was in the war.

Mr. FULBRIGHT. The war was one in which Canada, as well as ourselves, was engaged. Is that not true?

Mr. ELLENDER. Of course, Canada's production was considerably expanded.

Mr. FULBRIGHT. Was not England in the war?

Mr. ELLENDER. Yes; but our output of munitions—

Mr. FULBRIGHT. The Senator's point is that we were able to make more profit out of the war than England was able to make. Am I correct?

Mr. ELLENDER. Yes; because we produced more. Our output of steel, for example, was 95,000,000 tons in comparison to Great Britain's 15,000,000 tons. Therefore, our profits were bound to be greater.

Mr. FULBRIGHT. No one is denying that this country does make and has made for many years greater profits than Great Britain has made. But the significance of a person's debt is in relation to his income. I venture to say that most of the millionaires in New York owe, on the average, more money than I do. The large corporations of this country such, for example, as the American Telephone & Telegraph Co., owe more money than does my little company in Fayetteville. The fact that we have a large debt has no significance whatever in the matter. With reference to the proposed loan, if it is out of comparison with our ability to produce, that is another question.

Mr. JOHNSON of Colorado. I was seeking information. I am sure the Senator will agree that the debt will remain large, even though our national income may drop. So the percentages which

the Senator has read are not fixed. Very likely they are accurate for 1945 or 1944. But, as time goes on, and as the national income drops, the indebtedness will not drop. So the percentages which the Senator has read are fluctuating percentages.

Mr. FULBRIGHT. I agree that there is nothing permanent about the situation. I once contended, and very few agreed with me at the time, that we should not reduce taxes while our income was on a high level. If we are wise we can bring down the size of our debt. How long we can maintain a reasonable prosperity may be a question. I believe we should utilize the present period of artificial—if we may call it that—prosperity to reduce our national debt. But similar problems affect other countries. I understood the Senator from Louisiana to say that we owe so much more money than does any other nation that we cannot afford to make this loan. I do not believe that fact to be significant. I will admit that other facts can be presented. But the significant fact to me is in the relation of the debt to our income. Almost every rich man or large corporation in this country owes a great deal of money. The poor devil may not own much because he cannot borrow.

Mr. JOHNSON of Colorado. The very large income was caused by the precipitate increase in the indebtedness. The income would not have been so large if the indebtedness had not been so large. In other words, the income is made up almost entirely out of the increased indebtedness.

Mr. FULBRIGHT. There has been an increase in wealth which has a taxable base. Whenever money is borrowed a bond is issued, and someone receives it. It represents an asset somewhere. The real waste which occurred was not in the debt, but in the consumption of our essential materials such as oil, steel, silver, bauxite, and so forth. That very point was raised yesterday. One of the Members of the Senate said that we had exhausted our natural resources. I agree that altogether too much of them has been consumed. But the proposed agreement would not in any way accentuate the situation. It is very evident that one of the ways by which to replenish our raw materials is through free trade. We would have an opportunity to procure oil from other countries. I believe that the Senator from Wisconsin [Mr. LA FOLLETTE] mentioned a great number of metals which exist in other countries. The loan would be repaid through the availability of those materials. It is the only way, in the final analysis, that we can balance off the international indebtedness.

Mr. ELLENDER. Why would not the Senator consent, then, to our acquiring from the British large piles of tin and some of their rubber? The British could go into the markets and, by using their own currency, purchase those materials from their own people, and we, in turn, would give them dollars for it. We certainly would receive value for the expenditure. But the method which is proposed here is to let Great Britain have our own dollars without receiving any

assurances of getting anything in return except the possibility of this vast loan being used for the purposes of unlocking frozen sterling which is now in the banks of England.

Mr. FULBRIGHT. The point which the Senator has made has been raised before. It was raised during the hearings. I cannot lay my finger on it. One of the witnesses who participated in the loan negotiations said that the question had been discussed. But what the Senator has suggested would be accomplished by barter. The United Kingdom does not have within its borders any of the materials which we need. Those materials belong, in part, to some of England's possessions, and also to the colonial possessions of Holland and Belgium.

The largest copper deposits in the world are located in the Belgian Congo. Oil and rubber are located in Java, and tin is located in Malaya. The difficulty which the Senator experiences lies in his assumption that the British have no intention of repaying anything on the loan. If the Senator accepts that theory—

Mr. ELLENDER. I do accept it.

Mr. FULBRIGHT. If the Senator accepts that theory, he could insist, then, on treating the loan purely as a gift. We disagree on the fundamental integrity, I should say, of the British.

Mr. ELLENDER. The Senator must admit that the money which Great Britain would receive under the proposed loan would be used by the British to do what? To buy raw materials, or at least partly so, for the manufacture of goods which she expects to sell to some of her possessions.

Mr. FULBRIGHT. In the first few years, yes. But what happens to the dollars?

Mr. ELLENDER. Oh, I admit that they will come back to us.

Mr. FULBRIGHT. Will they come back as dollars or as material?

Mr. ELLENDER. If the British really desired to make what I would call a bargain with us whereby we could obtain value received, why could not she obtain dollars from us by going to the Malay Peninsula, which she controls, and to Sumatra and Java, where there are located large rubber plantations controlled by British capital, use present British currencies to buy rubber and other materials and sell them to us for dollars? We could pile them mountain high. In that way, we would have at least something of value in return for the money which we would give to Great Britain. That is the position which I have taken. The Senator is arguing that we should dig down into our Treasury and allow Great Britain to use a vast sum of our money for the purpose of trying to undo—

Mr. FULBRIGHT. Mr. President, I thought the Senator from Louisiana asked me a question. However, if he wishes to make another speech, he will have an opportunity to do so. He has already spoken 4 or 5 days.

Mr. ELLENDER. No, no.

Mr. FULBRIGHT. I beg the Senator's pardon.

Mr. ELLENDER. I may have spoken for 4 or 5 hours.

Mr. FULBRIGHT. I meant hours. I did not mean days. That was a slip of the tongue.

Mr. ELLENDER. I doubt if I spoke 5 hours.

Mr. FULBRIGHT. I apologize for saying days. I meant to say hours.

Mr. ELLENDER. Very well.

Mr. FULBRIGHT. In the first place, the way these so-called blocked sterling balances arose was by Great Britain doing exactly the thing the Senator has referred to. They have done about all they could do. They did it in order to support their armies, for example, in India. They had armies which they had to feed and transport and clothe. They did that by purchasing the local currencies, the rupees, and giving them blocked balances in London. India has about \$5,000,000,000 there, and they are getting very tight. Those are equivalent to loans, as a practical matter. The British Government has already borrowed from these other countries practically \$14,000,000,000.

That is all blocked sterling means. Great Britain borrowed the money from these other countries, and there it is. The Senator is only saying, "Go on and borrow some more."

Mr. ELLENDER. No; that is what the Senator from Arkansas is saying—let England borrow more. What I am trying to say is that she could use her own currency and buy from her possessions raw materials which we, in turn, could buy from England for cash—dollars.

Mr. FULBRIGHT. She cannot buy in other countries with her currency. The British pound is not acceptable even in India. She has to buy rupees with pounds. She cannot just take a British pound and go anywhere she likes and buy. We will not take them here.

Mr. ELLENDER. The Malay Peninsula is owned and controlled by the British.

Mr. FULBRIGHT. The British Government does not own it.

Mr. ELLENDER. It is a possession of the British. They have control of it. The British Government is in charge.

Mr. FULBRIGHT. Great Britain does not own the raw materials. I would say that if we assumed there was the same kind of government Russia has, if Britain had the same relation to the properties in Malaya that Russia has to its resources, there might be something to the Senator's argument, but Britain does not have that relationship, and I do not think she could confiscate property. She did confiscate to some extent shares which were private shares and which did not belong to the British Government.

Mr. McMAHON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. McMAHON. I should like to ask the Senator from Louisiana if he is suggesting that England should run the printing presses and print more pounds, and go out and try to buy with them?

Mr. ELLENDER. No; I am not suggesting that. Certainly today there is in the possession of British sufficient currency. They have money, just as we have money. How do we get materials? How does our Government get materials?

Mr. FULBRIGHT. Within the country there is no problem. Britain can do anything within the United Kingdom, but she cannot go to other countries and use pounds.

Mr. ELLENDER. The point I am making is that the Malayan Peninsula is owned and controlled by Great Britain. She may not be able to go to Russia and get materials; she may not be able to go to Germany and get them.

Mr. FULBRIGHT. She cannot go to India and get them.

Mr. ELLENDER. In her own country she can do what we are doing.

Mr. FULBRIGHT. Unfortunately, in the United Kingdom there is no tin, or rubber, or other raw materials we need. That is why she wants this dollar fund.

Mr. ELLENDER. But there are such materials in the British Empire, and England can obtain them from her possessions and sell them to us for dollars.

Mr. FULBRIGHT. Mr. President, there is one further point which I wish to mention, and that is Canada's contribution. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Canadian Aid; Loan to Britain Passed in Ottawa." The article was written by Janet R. Keith. It is along the same lines as the statement in the record of the hearings on page 242.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CANADIAN AID
(By Janet R. Keith)

LOAN TO BRITAIN PASSED IN OTTAWA

OTTAWA.—Canada's House of Commons has passed almost unanimously a bill providing for a loan to Britain of \$1,250,000,000. It is the biggest loan ever made by Canada to another country. On a basis of national output, it represents a commitment proportionately seven times as large as the proposed United States loan to Britain. Only four Quebec members opposed the measure.

The terms under which the loan is being made are very similar to those contained in the Anglo-American agreement. The interest rate will be 2 percent, with repayment covering the 50-year period after 1951. There is the same provision for waiver of interest in any year during which Britain's exports fall below her prewar level of imports.

The main difference between the Canadian and American loan agreements is that Canada makes no demands on Britain regarding settlement of accumulated wartime sterling balances. The United States conditions regarding exchange controls and import restrictions are covered in the Canadian agreement by a general most-favored-nation clause. It is recognized that some clauses of the agreement will have to be renegotiated if Congress fails to ratify the proposed United States loan.

In addition to making available \$1,250,000,000 of new money, the Canadian agreement with Britain embraces a settlement of certain outstanding debts. Canada cancels outright an amount of \$425,000,000 owed by Britain in connection with the Commonwealth air training plan. By a cash payment of \$150,000,000, Britain will settle all claims and counterclaims which have arisen between the two countries as a result of the war. A loan of \$700,000,000 made by Canada to Britain in 1942 will continue to be interest-free until 1951; before that time the two governments will confer regarding interest rates and terms of repayment.

In presenting the agreement to the House of Commons, the Minister of Finance emphasized the fact that making such a loan was not charity but good business. Canadian prosperity is dependent, even more than that of the United States, upon a high level of exports. Britain has always been Canada's best customer. And so it is vitally important to Canada that Britain should resume her place as a great trading nation.

Because Britain has been for more than a century the world's greatest importing nation, the trade policies which she adopts during the next few years will have a profound influence on world economy. If she is able to get loans on reasonable terms from the United States and Canada, she will be able to afford liberal trade policies of the type reflected in the Bretton Woods agreement. If she cannot get these loans, she will be forced into bilateral bargaining.

"Other allies have suffered enormous losses in their own countries," said the Minister, but none has borne the international costs that Britain has borne. None is faced with the same tremendous problem of readjustment in the balance of their international payments. Alone among the Allies, Britain has suffered as a result of the war a great deterioration in her external financial position. And now, in addition, she must borrow huge new sums in order to embark in peacetime upon the trade policies which are so important to us."

It is understood that British negotiators came to Canada hoping for an interest-free loan. But the terms of the Anglo-American agreement had set a precedent which Canada could not ignore. Had Quebec members decided to vote solidly against an interest-free loan, it might have meant a split in the ranks of the Liberal Party. When terms of the agreement were made public they were considered reasonably satisfactory in Britain.

The new agreement brings the financial aid given by Canada to Britain during the war to over \$5,000,000,000, a sum considerably greater than that of the proposed United States loan. The amount is made up of \$2,000,000,000 in mutual aid (Canadian version of lend-lease); an outright gift of \$1,000,000,000 made during the war; the \$700,000,000 interest-free loan made in 1942; the new loan of \$1,250,000,000; and cancellation of the \$425,000,000 owed by Britain on the commonwealth air-training agreement.

In addition to the new agreement with Britain, Canada has made loans to other countries to help them finance their purchases in Canada. Under the terms of export credit legislation passed in 1944, sums totaling more than \$600,000,000 (at interest from 2 to 3 percent) have been advanced to Belgium, China, Czechoslovakia, France, the Netherlands, Netherlands East Indies, Norway, and Russia. Canada considers that the loan to Britain, together with these smaller loans to other countries, forms the cornerstone of her plans for international trade and reconstruction. By lending abroad now, she hopes to insure a high domestic level of employment and income in the future.

Mr. FULBRIGHT. In a letter from Secretary of Commerce Wallace there is a brief condensation of a statement in a pamphlet entitled "The Impact of the War on Civilian Consumption in the United Kingdom, the United States, and Canada." This was a report by a special combined committee of the combined Production and Resources Board, on nonfood consumption levels. Of particular significance are five brief paragraphs in the letter from the Secretary of Commerce, condensing the significant

parts of the report. I wish to read them at this time:

1. During the 3-year period from 1942 to 1944, more than 50 percent of Britain's national income was used for the prosecution of the war. In the same period, the proportion in the United States was about 45 percent. Since Britain was at war 2 years before we were, the figures for total war costs are still more striking. By the end of 1944 Britain had put into the war effort economic resources equivalent to nearly 2.5 times her 1944 national income. United States war expenditures at the same date had totaled an amount equal to about 1.3 times our current national income.

2. Between 1938 and 1944, Britain reduced her investments and became subject to claims—largely the so-called sterling balances—to such an extent as to reduce her net foreign assets by £3,916,000,000 (\$15,800,000,000) as a means of paying for overseas requirements without devoting resources, needed in the war effort, to the production of offsetting exports. The reduction in the net foreign asset position of the United States was \$1,800,000,000 resulting from the building up of dollar balances in favor of foreign creditors.

3. Through the curtailment of replacements and repairs and through the depletion of inventories the civilian industrial assets of Britain were reduced between 1940 and 1944 by £885,000,000 (\$3,600,000,000). During the same period the reduction in this country was five and seven-tenths billions. These drafts on capital represented 12 percent of the British national income and 8 percent of the United States national income.

4. In addition to the capital items referred to in 2 and 3 above, Britain suffered bomb damage which has been estimated at £1,200,000,000 (\$1,800,000,000).

5. During the war the civilian consumption level in Britain, measured at prewar prices, decreased by about 16 percent. In the United States there was an increase of about the same percentage.

Mr. President, I conclude by saying that this agreement is a gamble. The risks are great, but I believe that the risks involved in not making the agreement are much greater. After careful consideration of the risks of the two alternatives I have concluded that this agreement is for the best interests of this country, and I shall vote for it.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

GOVERNOR OF THE VIRGIN ISLANDS

The legislative clerk read the nomination of William H. Hastie to be Governor of the Virgin Islands, which nomination had previously been passed over.

Mr. ELLENDER. Mr. President, I do not wish at this time to say anything against Judge Hastie except that I think the President made a very serious mistake in selecting a colored man to be Governor of the Virgin Islands, because I believe it will retard the progress of those islands in their effort to develop a haven for tourists.

I desire to say a few words in behalf of my good friend Governor Harwood.

Mr. President, our insular policies have often been the subject of criticism by those whom we have sought to govern. Exceptions to this critical attitude are deserving of examination for what light they may shed on future relations with our island possessions.

Notable among these exceptions is the case of our recent policy in the Virgin Islands. According to the record, a free press, the people of these islands are, at last, "visualizing a community lifted out of its sixteenth-century existence and placed on a plane compatible with modern living."

That quotation is from an editorial in the Virgin Islands magazine of February 2, 1945, on the occasion of a great tribute to an American citizen who was hailed on that day as "the man of the year" and the "best Governor the islands ever had." I refer to the retiring Governor, Charles Harwood, whose vision, patience, and persistence lifted that community out of a "sixteenth-century existence."

Those accolades were bestowed on Governor Harwood slightly more than 1 year ago, when the people of the Virgin Islands under their Government declared a legal holiday known as Harwood Day. That celebration honored him for his faithful duties over a period of 4 years, culminating in the authorization by Congress of \$10,000,000 toward a public-works program which now is under way, and which, according to an editorial in the Virgin Island Photo News of January 8, 1946, puts the community "on the threshold of the greatest era in history."

Sentiments of this nature, and even more fulsome ones, have come from the people of the islands and their accredited social, civic, and labor organizations. With complete unanimity these organizations have attested to his statesmanship in improving the lot of the islands' inhabitants.

Although slightly over a year has elapsed, a grateful people have not forgotten what he accomplished from the date when he took office in 1941 and found conditions there something less than livable. His enviable record as an administrator is not forgotten by the people he aided. This is evidenced by the fact that the same newspaper which hailed him at the time of his triumph made this statement 1 year later, on February 2, 1946:

Today on the first anniversary of Harwood's Day, there is no public holiday, nor even a ceremony to commemorate the occasion. But Harwood is not forgotten. His name and deeds will endure in the memory of the peo-

ple of the Virgin Islands who are immensely indebted to him.

This is indeed edifying. For in his own country and among certain few of his own people, Governor Harwood has become the target, even the victim, of those who, moved either by ambition or envy, would becloud an indelible record of achievement.

Notwithstanding this unimpeachable record, it remained for the new Secretary of the Interior, Mr. Krug, but a few days old in office, to question the ability and the fortitude of a man whose virtues in these directions made him in the eyes of the people he helped emancipate the best governor the islands ever had.

On March 28, 1946, in connection with certain testimony before the subcommittee of the Committee on Territories and Insular Affairs which was examining the fitness of William Hastie to succeed Governor Harwood, Secretary Krug parroted an old slander in commenting upon the administration of Governor Harwood. Mr. Krug, under questioning by me, stated that Governor Harwood "did not spend very much time in the islands, did not show a very aggressive interest in getting its economy on its feet, and that is all I know about Governor Harwood." When asked where he obtained such information, he stated that it came from the records of the Department of the Interior. Mr. President, who do you suppose built up such a record—the people of the Virgin Islands, whom Harwood has put on the threshold of a new era, or the former Secretary of the Interior, "Honest Harold" Ickes, the same old pious hypocrite who for the past several years has been making every effort to remove Governor Harwood.

Whom are we to believe? There are some who are not fooled. One of these is the local Virgin Island press, which gave pause to again honor Governor Harwood 1 year after the day when the bands turned out to play. With keen perception that press stated:

Whether Governor Harwood voluntarily resigned as Governor or whether he was dismissed as the end result of his interneine feud with Secretary Ickes is indeed a moot question. One view is that the Secretary of the Interior, who had been gunning for the Governor's scalp, has met with success after more than 4 years.

There is the obvious answer which Mr. Krug culled from the so-called records of the Department of the Interior. If Mr. Krug possessed a real passion for research he could have gone back to a public address given by Morris F. De Castro, now Acting Governor of the Virgin Islands, on the occasion of Harwood Day, February 2, 1945. On that day, the whole island turned out to honor the man who Mr. Krug said "did not show a very aggressive interest" in looking after the fortunes of the islands' inhabitants.

Mr. De Castro nailed the distortion to which I have referred one long year before the new 38-year-old Secretary caught up with it and embraced it as a truth—a truth from the records of the Department of the Interior, or, if you please, from Columnist Harold Ickes. Said Mr. De Castro:

During the past 4 years, while shafts of adverse criticism were being hurled at him

because of his absences from the islands, Governor Harwood brought to the islands, from time to time, an array of the most important officials of the Federal Works Agency and of the Public Health Service in order that they could see for themselves the conditions existing here.

So that is what the Governor was doing away from his post. He was in Washington, circumventing the Ickes throne, in order to interest engineering experts in correcting the awful, unsanitary plight of a people who had no real spokesman until Governor Harwood espoused their cause. He was in Washington interesting the President of the United States, Franklin D. Roosevelt, in the underprivileged status of 30,000 inhabitants. He was in Washington begging Congress for \$10,000,000. He was in Washington attaining the ends to which he had pledged himself.

It is pertinent to note how his ability was appraised while he was in Washington by Congressmen conversant with his activities in behalf of the islands. I quote from Report No. 1673 by Representative BELL, chairman of the Committee on Insular Affairs, dated June 17, 1944:

In early hearings on the necessity for public-works improvements in the Virgin Islands, Governor Harwood showed a definitely strong interest and understanding of the need for the permanent development of the islands. At the request of this committee, he made exhaustive studies of the costs and types of projects needed most. It is the feeling of this committee that his assistance in this respect was invaluable in that this appears to be the first over-all and comprehensive program for the permanent betterment of the Virgin Islands that has been submitted to the Congress. He showed a very deep and abiding interest in the welfare of the people whom he is serving fairly, efficiently, and conscientiously.

Could this be the same man whom Secretary Krug described as not showing "a very aggressive interest" in the islands' problems? Yes; and this is the same man who, while suffering from bronchial pneumonia at Doctors Hospital in Washington, December 5, 1945, wrote a detailed and intelligent appeal to the Senate Committee on Appropriations for restoration of certain cuts in the Virgin Islands appropriation which he thought would be counter to "the justified needs of our people in the Virgin Islands."

The incoming Governor will inherit the fruit of Charles Harwood's diligence to duty. He will certainly understand why his predecessor was honored by the people he served as the best Governor the Virgin Islands ever had.

Mr. President, I ask to have printed in the RECORD at this point, as a part of my remarks, editorials from the following publications: Virgin Islands magazine, February 2, 1945; the Daily News, January 29, 1945; the Daily News, February 3, 1946; Photo News, January 8, 1946; and the Daily News, February 2, 1946.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Virgin Islands magazine of February 2, 1945]

The highest level of success is that which springs from service to one's fellow men and the true test of a public servant is his sin-

cerity and devotion to the welfare of those whom it is his duty to serve.

Gov. Charles Harwood, in whose honor a public holiday has been named, to whom this book is dedicated and to pay tribute to whom this community turns aside from pursuit of its daily occupations, has met the test. After almost 4 years he has succeeded in acquiring for these islands the means by which the foundations of an era to which generations have yearned will be laid.

Today, Governor Harwood is being lauded for his indefatigable and successful efforts on behalf of the people of the Virgin Islands and one and all are visualizing a community lifted out of its sixteenth century existence and placed on a plane compatible with modern living. All are cognizant of the potentialities implicit in this new program which is about to begin, and all look forward confidently to a successful consummation of the rehabilitation scheme.

As we contemplate the future which today seems so bright and full of promise we must know that all the improvements which the governor has sought will be as nought if the people of the islands fail to employ them fully and to use them as a springboard to yet loftier heights of achievement.

Governor Harwood has served the people of the Virgin Islands faithfully in that he has exerted his efforts toward raising the standard of life in these islands to a point more nearly compatible with the dignity of man, that he has furnished the basis for satisfying the desires of a people who have long lagged behind minimum standards as accepted in the United States. Today we are thankful, not merely for \$10,000,000 but for the newer and fuller life to whose attainment they will be applied.

[From the Virgin Islands Daily News of January 29, 1945]

HARWOOD'S RETURN

The people of the Virgin Islands extend a hearty welcome to Governor and Mrs. Charles Harwood, who returned from the mainland on Saturday. After a brief visit here following passage of the Virgin Islands public works bill in which, largely through his efforts, \$10,000,000 were authorized for sorely needed improvements in the Virgin Islands, the Governor early this month returned to Washington to be present at the inauguration of President Roosevelt and attend to various matters connected with the Virgin Islands. With Mrs. Harwood he returned to the islands in time for celebration of Governor Harwood's Day which the representatives of a grateful people have named in his honor and set aside as a public holiday in token of appreciation of his untiring and at last successful efforts in their behalf.

The honor which the people of Virgin Islands have conferred on Governor Harwood is almost unique in the history of the Virgin Islands; and it is seldom indeed that anyone is honored to the extent of having a public holiday dedicated to him during his lifetime. So far as is known not since the transfer of these islands to the United States has any individual save President Franklin D. Roosevelt received so signal a recognition.

It is fitting indeed that such a tribute should be paid the Governor. No other chief executive of the Virgin Islands, no other single individual has by his efforts achieved so much that will be of so lasting a value to the inhabitants. That vast sums of money will be spent on the islands is relatively unimportant compared with the permanent improvements which the expenditure will achieve.

Governor Harwood is the first of his office to make so outstanding a contribution to our progress in education, health, sanitation and the many fields in which the influence of this new project will be felt. Indeed he is the first who has dared to make a request

of the Federal Government for so large a sum, and—what is more—the first to receive it.

In welcoming the chief executive back to the Virgin Islands, and in paying tribute next Friday, the people of these islands recognize and appreciate the incomparable contribution which he has made to their welfare; the earnest efforts he has exerted on their behalf. They know that through his untiring labors this generation of Virgin Islanders will enjoy benefits heretofore unknown.

[From the Virgin Islands Daily News of January 3, 1945]

A FITTING TRIBUTE

The unprecedented demonstration given to Governor Harwood by the people of St. Thomas yesterday afternoon was beyond the wildest expectations of those who planned the day's activities, and it must have touched the Governor very deeply indeed. The parade alone surpassed any similar event that had heretofore taken place on the island, and the presence of well over 3,000 persons in the Emancipation Garden was in itself a demonstration of the deep gratitude which every Virgin Islander has for the Governor.

Yesterday's program was long, very long indeed; for every civic organization in this community desired to express its gratitude and appreciation to the man through whose efforts almost unexpected improvements are to be effected in this community where such improvements have long been overdue. There was no group, no individual with a grasp of the potentialities of this new program, which has been so devotedly and successfully promoted by the Governor, that did not wish to record his appreciation of the tremendous achievement the Governor has made in our behalf. The crowds that lined the streets, the thousands who stood in the Emancipation Garden, the speeches and resolutions were all an expression of the community's gratitude to a successful crusader, and it was an expression such as has not been made in the Virgin Islands within the memory of the living.

Never had we seen the Governor in a happier mood; never had any local public official had greater cause for happiness. The public that had criticized his many absences from the island and had cynically regarded his intention to seek this substantial appropriation for its welfare and progress spontaneously and unrestrainedly lauded the man who has turned out to be its greatest benefactor. Both here and in St. Croix, Governor Harwood confessed, he was completely overwhelmed with the ovation he received. He had reason to be: nothing like yesterday's demonstration had ever occurred in the Virgin Islands before and the Governor received praises such as are heaped only on a great statesman and then not during their lifetime.

The Harwood Day program will live long in the memory of those who were present. It will undoubtedly be a source of great satisfaction to the Governor for his untiring labors in our behalf. Indeed, the demonstration given him by the people of the Virgin Islands must furnish a satisfaction at least equal to that experienced by the Governor when he came to know that his efforts had at last been crowned with success.

Yesterday the people of the Virgin Islands gave thanks for the benefits they are about to receive; today, they must build securely for the future of these islands whose prospects are now so favorable. Only tomorrow will bring final satisfaction to the Governor and us all, for only then will his work be consummated, will the foundation that he has laid become a lofty, solid structure of educational, economic, and social betterment in these islands.

[From Photo News of January 8, 1946]

HARWOOD'S ADMINISTRATION

Whether Governor Harwood voluntarily resigned as Governor of the Virgin Islands, or whether he was dismissed as the end result of his internecine feud with Secretary Ickes, is indeed a moot question.

One view is that the Secretary of the Interior, who had been gunning for the Governor's scalp, has met with success after more than 4 years. Another view is that Mr. Harwood, who had been recuperating in Miami after a severe attack of pneumonia, might have been prevailed upon to resign before he further jeopardizes his health.

Whatever is the reason for the change of administration, it cannot be disputed that Harwood has made a definite contribution to the islands. We have been violent critics of some of his policies. We did not like, for example, his inveterate habit of making frequent, prolonged trips to the mainland, ostensibly on official business. We felt that he was not devoting enough of his time and energies to local affairs, but was allowing himself to be misled by some of his close advisers and chief lieutenants who were intent on preserving the old intolerable order. We felt that Harwood was too aloof, too complacent, and failed to furnish that executive leadership for which the islands were crying out.

To the Governor's everlasting credit, it must be said that through his efforts we stand today on the threshold of the greatest era in history. From the time of his inauguration in February 1941 the Governor set as his primary goal the initiation of public-works projects designed to provide a more decent and comfortable life for the islands' inhabitants. How successful he has been in his objective all of us are well aware. Though it has taken a longer time and greater efforts than we had hoped, we now have the funds to launch the \$10,000,000 program. Work should begin within a matter of weeks. When we look at the new high school, hospital, sewer system, highways, and other projects which are slated to be built under the program, we shall remember the name of Governor Harwood with deep gratitude. The entire islands will wish him good health and success in his future endeavors.

[From Photo News, Virgin Islands, of February 2, 1946]

HARWOOD DAY

One year ago today the people of the Virgin Islands turned out in unprecedented numbers to pay tribute to Charles Harwood through whose efforts a \$10,000,000 public-works program for the Virgin Islands was approved. The day was fittingly declared a public holiday, and in both St. Thomas and St. Croix organizations and individuals poured encomiums upon the Governor for his magnificent achievement.

Today, on the first anniversary of Harwood Day, there is no public holiday, nor even a ceremony to commemorate the occasion. But Harwood is not forgotten. His name and deeds will endure in the memory of the people of Virgin Islands, who are immensely indebted to him.

THE PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. EASTLAND. Mr. President, I join with the Senator from Louisiana. I think it is a disappointment and a great mistake to confirm this nomination. The nominee is a racial agitator, a racial demagogue, and the committee report submitted by Chairman Wood, of the House Committee on Un-American Activities, shows that he is a member of five Communist front organizations. I can

see that a person could belong to one of those organizations, but it is very significant that he is a member of five, and I certainly am against the confirmation of the nomination of this man.

Mr. MURDOCK. Mr. President, in view of the statement just made by the Senator from Mississippi, I believe I probably might be considered a little derelict if I did not say something in behalf of the nominee.

In my opinion this country and its Government are fortunate in having a man of the attainments and the achievements of Judge Hastie to appoint to the high position of Governor of the Virgin Islands. We talk much about democracy. In emphatic language, in emphatic writing, and in emphatic statements, wherever Americans talk or write, we condemn mistreatment of racial minorities on any part of the globe.

Mr. President, this nominee is a representative, and a very splendid and outstanding representative, of the Negro race. He is an excellent lawyer, and he made a record at Harvard University of which any white man in America could be proud.

We have an opportunity to show to the world that Americans are sincere when they talk about equality of treatment to racial minorities in their own country. The population of the Virgin Islands is 90 percent colored. The business of the Virgin Islands is largely owned by colored people. Here is an opportunity for us to recognize the outstanding ability and patriotism of a member of the Negro race, a man who served with distinction in the Interior Department, a man who served with distinction in the Virgin Islands as a Federal judge, a man, Mr. President, for whom today the people of the Virgin Islands are clamoring to be their Governor.

Witness after witness took the stand before the subcommittee, of which I had the honor to be chairman, and told us of the character, the achievements, the education, and the patriotism of Judge Hastie. Not only members of the colored race but distinguished members of the white race, deans of law schools, and others, appeared before the subcommittee and told us of their opportunity to observe Judge Hastie in his official capacity. Distinguished men who have known him as a lawyer and a law professor testified in his behalf. Every one of them, Mr. President, except one witness, told us of the fine qualities and the outstanding characteristics of Judge Hastie.

One witness appeared before our subcommittee in opposition. That witness brought before us a number of exhibits from the House Committee on Un-American Activities. He knew nothing personally about Judge Hastie. All he had was what an investigator of that committee had handed him, and on that basis he opposed the nomination of Judge Hastie. He admitted Judge Hastie's competency. He admitted that his educational background highly qualified Judge Hastie for the position. He admitted that there was no reason why Judge Hastie should not be confirmed

except that there were some exhibits or some records in the Un-American Activities Committee of the House which showed that Judge Hastie was a member, as I recall, of three organizations which some people refer to as leaning towards communism. Those three organizations are the Southern Conference for Human Welfare, the National Lawyers Guild, and the National Negro Congress. By the way, Mr. President, one of the Senators who served on the subcommittee was a former member of the Lawyers Guild. I think he made the statement that he had not paid his dues for a number of years and he did not know whether he was still a member; but he called to the attention of the committee the fact that a Senator of the United States was a member of the National Lawyers Guild.

A statement by the late Chief Justice Stone was submitted. He gave his opinion of the National Lawyers Guild. Statements from other outstanding lawyers and members of courts were submitted to show what they thought of the National Lawyers Guild.

Judge Hastie did not deny that he was a member of all three of these organizations at one time or another, but he denied most vehemently and emphatically that he had ever made any unpatriotic statement, or that there was any action on his part that anyone could point to that would indicate in the slightest that he was anything but a patriotic, loyal, American citizen.

After hearing the evidence, the subcommittee, by a vote of 6 to 2, Mr. President, voted to report the nomination favorably to the full committee. The full Committee on Territories and Insular Affairs voted to report the nomination favorably to the Senate, with the exception of two negative votes.

I do not take the position here today that I understand the situation in the South. Who am I even to criticize the Senator from Mississippi [Mr. EASTLAND] or the Senator from Louisiana [Mr. ELLENDER], or what might be their attitude toward a man of the colored race? I do not know the problem as they know it; I do not know the problem as the present Presiding Officer of the Senate knows it; but, Mr. President, there is certainly not a scintilla of evidence in the complete record made before our subcommittee, except the matter of membership in these three organizations, which would indicate in the slightest degree that there is any question about the loyalty and the patriotism of Judge Hastie.

Mr. President, I do not want to hold the Senate any longer. I think the nomination should be confirmed. I ask that the statement I have in my hand, which is a brief résumé of the evidence, as I heard it, and which also contains a brief biography of the nominee, be included in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

While many Senators are personally acquainted with William Hastie and with his

career, I believe a brief biographical sketch will not be out of place.

Mr. Hastie is a native of Tennessee, having been born in Knoxville some 41 years ago. He is now a resident of the District of Columbia, where he has made his home for a number of years. He is a well-trained lawyer, a graduate of Amherst College, and of the Harvard Law School, where he earned the highest American law degree, doctor of juridical science. In his 15 years at the bar his practice has included numbers of important cases before the Supreme Court of the United States. As dean of the law school of Howard University since 1939 he has acquired valuable administrative experience.

Mr. Hastie also has had large experience in public service. Although an independent politically, he was a staunch supporter of President Roosevelt, and held office in his administration, first as assistant solicitor in the Department of the Interior, second as judge of the District Court of the United States for the Virgin Islands and, during the war period, as civilian aide to the Secretary of War. In all of those capacities, his performance of duty won the commendation of his associates and of the public.

He enjoys an intimate knowledge of the Virgin Islands and their problems, both through his service there as district judge, and his earlier work in the Department of the Interior, much of which was concerned with legal problems affecting our territories and island possessions. While in the Interior Department he assisted in drafting the proposed legislation which became the present Organic Act of the Virgin Islands. He represented that Department in the congressional hearings which preceded the adoption of that Organic Act.

Mr. Hastie knows the people of the Virgin Islands intimately and well and they know him. Their enthusiastic endorsement and support of this nomination has been all but unanimous. It will be a very great advantage to that community to have a governor who takes to the position from the outset a comprehensive understanding of the problems of the islands and enjoys the confidence of the people.

Even the one witness who appeared in opposition to this nomination at the recent hearings before the Committees on Territories and Insular Affairs conceded the entire competence of the nominee and the high esteem in which he is held by the people of the Virgin Islands.

This lone witness to appear before the subcommittee conducting hearings on this nomination based his opposition on his belief that the nominee might be sympathetic to communistic ideology. The committee explored this matter at length, giving the witness every opportunity to substantiate this charge. At the conclusion of the hearings it was clear that the charge was untrue and without foundation.

The charge in question was based solely upon alleged membership in certain organizations and participation in meetings or projects sponsored by certain other organizations.

Specifically, it was alleged in opposition to the nominee and quite candidly admitted by Mr. Hastie that he is a member of the Southern Conference for Human Welfare, the National Lawyers Guild, and was formerly a member of the National Negro Congress. The evidence unfavorable to these organizations was testimony introduced at other hearings, particularly before the House Committee on Un-American Activities in which it was charged that there were Communists or Communist sympathizers connected with these organizations and that in particular instances one or more of them had taken a position on some public issue which was consistent with the position of the Communist

Party on that issue. There was no evidence that any one of them had engaged in any subversive or improper activity.

On the other hand, it was shown that Members of the Congress, the Supreme Court, distinguished clergymen, Republicans, Democrats, a cross section of eminent Americans, had been associated with or endorsed the work of these organizations. Thus it appears that the Chief Justice of the United States has spoken highly of the National Lawyers Guild; that Members of Congress, Governors of States, and large numbers of lawyers of the highest distinction have been pleased to be members of this organization; that the organization is headed by the attorney general of California.

Similar evidence appeared concerning the participation of national and local personages of the highest standing in the various meetings and organizations which were questioned.

In these circumstances it seemed to the committee that no basis had been laid for a charge of "communistic inclination." Not a single utterance by Mr. Hastie, not a single action on his part, was called to our attention which was in any way improper or discreditable.

We were impressed with the nominee's own statement that members of his race, regardless of political affiliation or ideology, have common problems and difficulties in this country; and that they work together in trying to solve those problems although they disagree in political thinking.

It was also significant that Republicans and Democrats, white and colored; Protestants, Catholics, Jews—distinguished Americans representing the respective diversities which characterize our united people—by letter or personal appearance have endorsed this nomination warmly and have denied indignantly any imputation against the Americanism of the nominee. It is, I believe, noteworthy that only one witness appeared in opposition to this nomination, and his opposition was based solely on hearsay and not upon any personal knowledge. I doubt whether the entire number of communications unfavorable to this nomination exceeds ten or twelve. This is to be contrasted with the hundreds of endorsements already mentioned, from representative persons, many of them among the most distinguished leaders in American life.

The PRESIDING OFFICER. The question is: Will the Senate advise and consent to the nomination of William H. Hastie, of the District of Columbia, to be Governor of the Virgin Islands?

The nomination was confirmed.

The PRESIDING OFFICER. The clerk will state the remaining nominations on the calendar.

TERRITORY OF HAWAII

The legislative clerk read the nomination of Hon. Samuel B. Kemp, of Hawaii, to be chief justice of the supreme court, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. BARKLEY. I ask that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Public Health Service nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I make the same request with respect to the nominations of postmasters.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

FOREIGN SERVICE

The legislative clerk read the nomination of Prentice Cooper, of Tennessee, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Peru.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 7 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 2, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received May 1 (legislative day of March 5), 1946:

UNITED STATES ATTORNEY

Raymond E. Plummer, of Alaska, to be United States attorney for division No. 3, district of Alaska, vice Noel K. Wennblom, term expired.

UNITED STATES MARSHALS

Benjamin B. Mozee, of Alaska, to be United States marshal, division No. 2, district of Alaska. (Mr. Mozee is now serving in this office under an appointment which expired March 4, 1946.)

Noble V. Miller, of Arkansas, to be United States marshal for the eastern district of Arkansas, vice Virgil Pettie, deceased.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 1 (legislative day of March 5), 1946:

FOREIGN SERVICE

Prentice Cooper to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Peru.

VIRGIN ISLANDS

William H. Hastie to be Governor of the Virgin Islands.

TERRITORY OF HAWAII

SUPREME COURT

Hon. Samuel B. Kemp to be chief justice of the supreme court, Territory of Hawaii.

UNITED STATES PUBLIC HEALTH SERVICE
APPOINTMENTS AND PROMOTIONS IN THE REGULAR SERVICE

To be senior assistant scientists, effective date of oath of office

Raymond Fagan William J. Bowen
George A. Hottle Falconer Smith
Samuel B. Salvin

To be senior assistant surgeons, effective date indicated

Edwin D. Merrill, March 25, 1946.
Vernon G. Guenther, October 8, 1945.
Manrico A. Troncelliti, February 8, 1946.
Herbert Tabor, January 1, 1946.

To be senior assistant sanitary engineer, effective January 30, 1946

Donald L. Snow

To be temporary medical director

Franklin J. Halpin

To be temporary surgeons

Eugene J. Gillespie Robert W. Blach
Charles W. Parker Frederick K. Albrecht
Carlton H. Waters Alfred H. Lawton
John L. Lincoln Marion B. Richmond
Clarence B. Mayes Glen E. Ogden
Donald W. McNaughton

To be temporary senior assistant surgeon
Robert E. Staff

To be temporary senior dental surgeon
George A. Nevitt

To be temporary dental surgeons

John C. Heckel
Joseph E. Unsworth

To be temporary senior assistant dental surgeon

Stanley J. Ruzicka

IN THE ARMY

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

To Adjutant General's Department

Maj. Clifton Coleman Carter
Maj. Luther Gordon Causey

To Corps of Engineers

First Lt. Marion Hopkins May
First Lt. Hobart Burnside Pillsbury

To Ordnance Department

First Lt. William Aldrich Davis
First Lt. John Breed Deane
First Lt. Orville Kenneth Knight
First Lt. George Franklin Leist
First Lt. Warren Newcomb Wildrick

To Cavalry

Second Lt. Gerald Dean Hall.
Second Lt. Chester Craig Sargent

To Field Artillery

Lt. Col. Charles Royal Lehner
First Lt. Henry Frederick Grimm, Jr.
First Lt. Cecil Wray Page, Jr.
First Lt. Robert James Welsh

To Infantry

Second Lt. William Patrick Hunt, Jr.

To Air Corps

First Lt. Nathan Louis Krisberg

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be majors, Air Corps

Robert Edward Lee Choate, subject to examination required by law.
Edwin Roland French
John Williams Persons
William Chamberlayne Bentley, Jr., subject to examination required by law.
Sam Williamson Cheyney, subject to examination required by law.
Max Harrelson Warren, subject to examination required by law.
Edwin Lee Tucker, subject to examination required by law.
Ralph Rhudy

Isaac William Ott, subject to examination required by law.

Edward Holmes Underhill
Trenholm Jones Meyer, subject to examination required by law.

William Pryor Sloan, subject to examination required by law.

George Frost Kinzie
Albert Boyd
James Wayne McCauley
Edward Harrison Alexander
Frank Alton Armstrong, Jr.
William Albert Matheny
John Patrick Kenny
Reginald Franklin Conroy Vance, subject to examination required by law.

William Lecel Lee
Haywood Shepherd Hansell, Jr.
Paul Mueller Jacobs
Dudley Durward Hale
Herbert Leonard Grills
Benjamin Scovill Kelsey, subject to examination required by law.

Thomas Lee Mosley
Raymond Lloyd Winn
Leonard Franklin Harman, subject to examination required by law.

Kingston Eric Tibbetts
Richard Henry Lee
Robert Wilson Stewart
Lewis R. Parker
William Maurice Morgan
Richard Irvine Dugan
Edwin Minor Day
Jack Weston Wood
James Herbert Wallace

To be major, Medical Corps

William Warren Roe, Jr.

To be captain, Medical Corps

Wayne Peter Beardsley, subject to examination required by law.

To be colonel, Veterinary Corps

Frank Marion Lee

To be chaplain (lieutenant colonel), United States Army

James Hugh O'Neill, subject to examination required by law.

To be major, United States Army

William Lewis Cooper

POSTMASTERS

MISSISSIPPI

Ida L. Cain, Prairie.

NEBRASKA

Meredith Y. Cloud, Elk Creek.

NEW JERSEY

Arthur F. Metz, Cranford.
Patrick F. Whelan, Jr., Somerdale.
John P. Larkin, Spotswood.

NEW YORK

Helen Regan, Carle Place.
Kenneth L. Dubuque, Peru.

NORTH DAKOTA

Alta M. Hansey, Nome.

OKLAHOMA

Alma C. Binns, Kellyville.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 1, 1946

The House met at 12 o'clock noon.
The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

*God be merciful unto us, and bless us;
and cause Thy face to shine upon us;
That Thy way may be known upon
earth, Thy saving health among all
nations.*

*Let the people praise Thee, O God; let
all the people praise Thee.*

*O let the nations be glad and sing for
joy: for Thou shalt judge the people
righteously, and govern the nations
upon earth.*

*Let the people praise Thee, O God; let
all the people praise Thee.*

*Then shall the earth yield her in-
crease; and God, even our own God, shall
bless us.*

*God shall bless us; and all the ends of
the earth shall fear Him.*

Let us pray:

*Our Father, which art in heaven,
hallowed be Thy name. Thy kingdom
come. Thy will be done, in earth as it
is in Heaven. Give us this day our daily
bread. And forgive us our trespasses, as
we forgive those who trespass against
us. And lead us not into temptation,
but deliver us from evil. For Thine is
the kingdom, and the power, and the
glory forever.*

Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3755. An act to establish an Optometry Corps in the Medical Department of the United States Army.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2) entitled "An act to provide for Federal aid for the development, construction, improvement, and repair of public airports in the United States, and for other purposes."

FOR THE RELIEF OF THE ESTATE OF MICHAEL J. McDONOUGH, DECEASED

Mr. FERNANDEZ, from the Committee on Claims, submitted the following conference report and statement on the bill (H. R. 2483) for the relief of the estate of Michael J. McDonough, deceased, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2483) for the relief of the estate of Michael J. McDonough, deceased, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

DAN R. McGEHEE,
JOHN JENNINGS, Jr.,

Managers on the Part of the House.

ALLEN J. ELLENDER,
WAYNE MORSE,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of

the two Houses on the amendment of the Senate to the bill (H. R. 2483) for the relief of the estate of Michael J. McDonough, deceased, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to such amendment, namely:

This bill as passed the House appropriated the sum of \$5,000 to the estate of Michael J. McDonough, deceased, late of Boston, Mass., in full settlement of all claims against the United States for the death of the said Michael J. McDonough as a result of being struck by a United States Army vehicle in Boston, Mass., on November 19, 1944.

The Senate reduced the sum to \$2,500, and at the conference the House conferees agreed to the sum of \$2,500 as set forth in the Senate amendment.

DAN R. McGEHEE,
JOHN JENNINGS, JR.,

Managers on the Part of the House.

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 2483) for the relief of the estate of Michael J. McDonough, deceased.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The Clerk read the conference report. The conference report was agreed to.

A motion to reconsider was laid on the table.

THE COAL STRIKE

Mr. ROBERTSON of Virginia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ROBERTSON of Virginia. Mr. Speaker, the occasion for the present coal strike was the demand of the head of the United Mine Workers Union for a 10-cent-per-ton royalty on all bituminous coal produced, and it is likewise the occasion for failure to enter into a new contract.

The stoppage of coal shipments has already affected many industries. In two more weeks the effect will be Nation-wide. I have been reliably informed that the Potomac Electric Power Co., which furnishes power for the District of Columbia, has only a 2-week supply of coal, and that the Virginia Electric & Power Co., which serves most of the district I represent, has only a 2-week supply. The Detroit automobile manufacturers reported on Monday that they had only a 2-week supply of steel.

I challenge the right of any individual or group of individuals to deny to the American people the essentials of life. I likewise challenge the right of any union to impose an excise tax on the goods it produces.

For the purpose of definitely settling that issue, I have today introduced a bill which is H. R. 6259 to make it unlawful for any employer to pay or deliver, or to agree to pay or deliver, any money or other thing of value to any representative of any of his employees who are engaged

in commerce or in the production of goods for commerce.

The provisions of the bill are not applicable with respect to any amounts deducted from the compensation of any employee and paid to a labor organization by an employer in payment of dues or other similar fees payable by such employee to such labor organization.

The penalty for a willful violation of the act will be a fine of not more than \$10,000 or imprisonment for not more than 6 months, or both.

The district courts of the United States shall have jurisdiction to enforce the act.

The bill carries definitions of the words "commerce", "goods", "produced", and "representative."

The issue involved in this proposed legislation is so vital and so fundamental that I hope the House Committee on the Judiciary, to which the bill will be referred, will act promptly on it.

EXTENSION OF REMARKS

Mr. VOORHIS of California asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD in two instances and in each to include a resolution.

Mr. MCKENZIE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MCGREGOR asked and was given permission to extend his remarks in the RECORD and include three letters.

Mr. DOLLIVER asked and was given permission to extend his remarks in the RECORD and include an article from the Pittsburgh Post-Gazette by a staff writer, dated Saturday, April 27, 1946.

THE WAR ASSETS ADMINISTRATION

Mr. MCGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MCGREGOR. Mr. Speaker, speaking of surpluses, do you know what the War Assets Administration is? It is the successor to the War Assets Corporation. That was the successor to the Surplus Property Administration. That was the successor to the Surplus Property Board. That was the successor to the Surplus Property Administration.

Do you still wonder why the public does not get a chance to buy surplus war goods?

The SPEAKER. The time of the gentleman from Ohio has expired.

EXTENSION OF REMARKS

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from the Governor of the State of North Dakota; also to extend his remarks in the Appendix of the RECORD and include an article from the Washington Daily News of April 24.

Mr. ANDREWS of New York asked and was given permission to extend his re-

marks in the Appendix of the RECORD and include an article by Raymond Moley.

Mr. SPRINGER asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein an article appearing in the Pittsburgh Post-Gazette.

Mr. ARNOLD asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Philadelphia Inquirer.

PEACE WITH ITALY

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, peace proceedings for Italy are currently under way in Paris. The nature of the Italian peace there determined will have profound effect upon world peace and world security.

Because I know Italy and the Italian people, I know that those people did not want war. They were forced into war against their will by a cruel dictatorship which they themselves helped overthrow at earliest possible opportunity. Elemental justice dictates recognition of those facts.

Let us now demonstrate that we genuinely want peace and good will among nations. Let us write a peace with Italy that will safeguard her democratic ideals, assure her economic self-sufficiency, and permit her, as a nation which has contributed outstandingly to the world's progress, to take her place in the United Nations, there to play her proper role in concert with other nations whose aim is to prevent a World War III.

EXTENSION OF SELECTIVE SERVICE

Mr. HALE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HALE. Mr. Speaker, this is my first opportunity to get the floor for the purpose of expressing my regret that on April 13 there was no record vote on the two amendments which in my estimation so weaken the extension of the selective-service legislation as rightly to subject the Congress to the gravest reproaches. The bill in its present form will almost inevitably convey the impression abroad that this country is too inert to face up to its war-imposed obligations. I can see no reason why we should hesitate to ask boys of 18 to perform a public service which subjects them to no serious hazards and will confer upon them many incidental benefits. I earnestly hope that another body will take a more robust and responsible view of this legislation.

DR. JAMES SHERA MONTGOMERY

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I read the following from the Messenger, published by the Metropolitan Memorial Methodist Church, of Washington, D. C., volume 2, No. 13, for May 1946:

DR. MONTGOMERY—CONGRESSIONAL CHAPLAIN
FOR 25 YEARS

On April 11, Dr. James Shera Montgomery, minister emeritus of Metropolitan Church, completed a quarter century of service as Chaplain of the United States House of Representatives. His prayers at the opening of the sessions have been printed from time to time, and are available in book form. In his ministrations over the spiritual welfare of one of the greatest lawmaking bodies on earth, he witnessed in panoramic review legislative transactions which offer mirrored events of great significance in the Nation's history.

A great chaplain, a great minister, a great man of God—Dr. Montgomery, we are proud of you.

I am sure I voice the sentiment of the entire membership as I say to you: Dr. Montgomery, we are proud of you. May God give you health, strength, and continued life to serve with us and pray for us for many years to come.

AN INSULT TO A GI

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, last Saturday night in my home town of York, Pa., a Jackson-Jefferson Day dinner was held, at which time Secretary of Commerce Henry Wallace and a candidate for the Senate were the principal speakers.

Prior to the dinner the candidate was being interviewed by a newspaper reporter; the candidate pointed to the reporter's discharge button and asked, "Where did you buy that?"

Now, Mr. Speaker, I do not understand why any GI should be so insulted. This button represented his honorable discharge. This GI had 37 months in the Army, 17 months overseas, and plainly told the candidate, "I earned this one."

A candidate who is so untactful will, no doubt, have a tough job being re-elected to the Senate. After all why should he criticize anyone for wearing a discharge button. He is an old bachelor and had no kin in this or the other war.

The candidate for the Senate is lucky that the veteran was not quick on the trigger and did not plant a stiff punch on his jaw. A candidate who will insult a man who served his country for more than 3 years should go into his campaign with a broken jaw.

Mr. Speaker, I ask unanimous consent to include as a part of my remarks the newspaper article which appeared in the York (Pa.) Dispatch on April 29, 1946, that reported this incident.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The matter referred to follows:

SENATOR GUFFEY, IN YORK, INSULTS AN
EX-SERVICEMAN

When it comes to World War II veterans and their discharge buttons, Senator JOSEPH GUFFEY, who wants to be reelected next November, has a perverted sense of humor.

While interviewing Secretary of Commerce Henry A. Wallace outside of the Valencia ballroom Saturday night, a York Dispatch newspaperman, only 4 months out of the United States Army, was asked by Senator GUFFEY as he pointed to the reporter's discharge button, "Where did you buy that?"

The newspaperman, accustomed to listening to practical jokers in the Army, answered the silly question nonchalantly, "I spent 37 months in the Army, 17 months overseas. I earned this one." Secretary Wallace told GUFFEY he knew "this man for a long time."

At this point the untactful Senator was informed by the ex-serviceman that he represented York's evening newspaper. The then somewhat flabbergasted politician immediately changed his humorous tune. He began congratulating the former soldier-reporter for a fine job "done in the service," but the reporter wasn't particularly interested. The newspaperman asked GUFFEY what he plans to do for the veterans "if he is reelected." "I am going to give them everything I can. They deserve the best. I'm also going to vote to give the soldiers in the Army more money, too." As the interview ended GUFFEY reminded the reporter, "Now, don't forget to quote me on my stand about veterans."

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[Mr. KNUTSON addressed the House. His remarks appear in the Appendix.]

FLYING PAY FOR NAVAL NAVIGATORS

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. O'HARA. Mr. Speaker, I am today introducing a bill to do simple justice to those men who served as navigators in the Navy and Marine Corps. The bill would provide the same bonus provision upon discharge as that now paid to navigators in the Army Air Corps.

I am calling this matter to the attention of the House and particularly to the attention of the Committee on Naval Affairs, hoping that speedy consideration may be given this bill.

BROADCAST OVER STATION WOL

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, under date of April 29, 1946, a Member of the other body broadcasted a statement over Station WOL and the Mutual network, which, in my opinion, was an attack on at least two Members of this House. This is not a violation of the Rules of the House but goes far down the road in that direction. Later we may deem it advisable to answer these untruthful charges.

At this time I ask unanimous consent to extend my remarks in the Record and include the full statement by the Member of the other body to which I referred.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

(The matter referred to follows:)

ADDRESS BY SENATOR ROBERT F. WAGNER OVER
STATION WOL AND THE MUTUAL NETWORK
MONDAY, APRIL 29, 6:15 P. M.

My friends, in January of this year Wilson W. Wyatt became National Housing Expediter. Shortly after that he recommended an emergency housing program for veterans. This program required legislation.

Seldom has any program met with such widespread and enthusiastic popular acceptance.

President Truman approved the veterans' emergency housing program and recommended the necessary legislation to Congress. All of the important veterans' organizations approved this program.

In every State the mayors of cities where veterans are desperately in need of homes welcomed this program.

The editorial pages of the press, with a rare degree of unanimity, have hailed this program as the best answer to the veterans' housing needs.

The National Association of Home Builders endorsed this program in convention assembled.

The executive vice president of the National Association of Real Estate Boards wrote a letter to Mr. Wyatt, expressing his enthusiasm for this program.

The American Federation of Labor and the CIO have pledged their full cooperation in this program.

When Mr. Wyatt first appeared before the House Banking and Currency Committee leaders of both parties, Democrats and Republicans, pledged their support to this program.

And so the veterans thought that housing was on the way.

But four long months have gone by since Mr. Wyatt became Housing Expediter—and Congress has not yet approved the legislation which President Truman called the very heart of the veterans' housing program.

What are the reasons for this legislative delay?

The reason cannot be that the housing emergency has miraculously disappeared. On the contrary the emergency is becoming worse every day, as more and more veterans return to civilian life. And everybody knows that it is becoming worse every day.

The reason for legislative delay cannot be that the American people have reneged on their solemn obligation to be fair and square with those who fought and won our greatest war. The American people never renege. Every public-opinion poll shows that the people overwhelmingly support the veterans' emergency housing program.

Nor can the reason for legislative delay be that flaws in the program have been discovered with the passage of time. Time has only served to make proposals which were

clearly right a few months ago, even more clearly right today.

Yet, the months of legislative delay have not occurred by accident. The delay has occurred by design. The delay has occurred through the deliberate efforts of those who do not want a veterans' emergency housing program. They do not want it for reasons that are selfish beyond description. They do not want it because some people and groups are profiting by the scarcity.

In the final analysis, the responsibility for this delay now rests with a relatively few Members of the Congress of the United States. These few persons, because of their strategic positions on certain congressional committees, have been able to wield an influence out of all proportion to the number of people whom they represent.

In fact, even the people living in the districts which these few persons represent, are not in sympathy with what they are now doing. I cannot believe that a majority of the people in any congressional district in the United States is opposed to taking every step necessary for the success of the veterans' emergency housing program.

The only thing that has enabled these few obstructionists to persist in their course, is that it has been a concealed course. When the veterans' housing bill was first up for consideration in the House, these obstructionists stated that they were for the program, but that it could all be done without legislation. When this statement was proved to be wrong, they admitted that legislation was required. But they said that it ought to be in a different kind of bill, and referred to a different kind of committee. These few obstructionists resorted to every old trick of those who do not want to say "Yes" but who are afraid to say "No." They even succeeded in avoiding a record vote, on the most critical items in the veterans' housing bill.

Through this manipulation and subterfuge, the House of Representatives as a whole did not have a full opportunity, when the bill was before it, to study the facts carefully and come to a just conclusion. For this, most of the Members of the House were not at fault.

Then the bill came up in the Senate, and the vital provisions for premium payments and guaranteed markets were inserted. Without these provisions to speed up production, the program cannot succeed. In this satisfactory form, the bill passed the Senate.

The situation now is that the veterans' housing bill is in conference between the Senate and the House. This means that Representatives of both bodies have been designated, to decide between the inadequate bill passed by the House and the satisfactory bill passed by the Senate. The conferees will be meeting again this week. I am confident that the House will be very likely to accept what its own conferees propose. In short, the life or death of the veterans' emergency housing program rests largely in the hands of the seven men, appointed by the House, to represent them in conference.

Some of these seven House conferees fought with all their strength to get a satisfactory veterans' housing bill, when it was first considered by the House. Who they are is a matter of public record. But there are one or two of these seven House conferees—and they, too, are a matter of public record—who did all they could to prevent the House from passing a satisfactory veterans' housing bill. In this, they succeeded. The critical issue now is whether these same obstructionists can succeed again in conference this week—or whether public opinion and the righteousness of the veterans' cause can make them change their minds and alter their course.

The veterans and the people of this country, who want and need the veterans' emergency housing program, have just one first job to do. It is easy for them to find out who is standing in their way. It should not be difficult for them to take these obstructionists to task.

If those working against the veterans' emergency housing bill are allowed to succeed, it will give heart and strength to the enemies of every program for the welfare of the veterans and the people.

The bill about which I have thus far been speaking, is essential to expedite the production of materials and houses for veterans. But the veteran already knows that houses alone are not enough. There must be the kind of houses which can be bought or rented at a price the veteran can afford to pay. The Senate recently passed another housing bill, sponsored by myself and two other Senators. It is known as the Wagner-Ellender-Taft bill. This bill is just as essential to the veterans' emergency housing program as premium payments and guaranteed markets. For without the Wagner-Ellender-Taft bill, there is every indication that most of the houses which get built will be far beyond the veterans' financial reach.

It is a matter of common sense that, if the housing bill now in conference is defeated, it will be just that much harder to enact the Wagner-Ellender-Taft bill. It will be just that much harder to enact any of the other measures, in which veterans have a tremendous stake—the improvement of social security, the development of better health measures, the reinforcement of the full employment bill with specific full employment programs.

One of the founding fathers said that eternal vigilance is the price of liberty. In more recent times, eternal public vigilance of what Congress is doing, has become the price of true democracy. Without this public vigilance, small and selfish groups can dominate decisions, and the public interest is lost sight of when laws are made.

This public vigilance must be exercised whenever vitally important measures are before Congress. Nothing is more certain than that Congress will make the right decisions, if it knows that the people as a whole are watching every step that is taken.

I have only one message to every veteran and his family, living in a trailer, crowded in a slum, or unable to find a home because of the housing emergency.

I have only one message to every fair-minded American, who revolts at the thought that the housing needs of veterans should be shabbily disregarded.

This message to every veteran and to every fair-minded American is that you should watch what is happening this week in Congress—and particularly what is happening in the conference on the veterans' housing bill. By this kind of watching, you will be able to penetrate the secret of why the veterans' emergency housing program has been delayed for so many months. By taking action, when your watching reveals the need for action, you will be able to assure satisfactory housing legislation. This alone will keep faith with the veterans of World War II, who are looking for homes in which to live and rear their families.

EXTENSION OF REMARKS

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD in three instances, in two to include editorials and in the third to include a letter.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include a quotation.

Mr. KILBURN asked and was given permission to extend his remarks in the RECORD and include a resolution on the St. Lawrence seaway.

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech made by Norris K. Carnes. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$135, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HOLMES of Massachusetts asked and was given permission to extend his remark in the RECORD in two instances, in one to include an article appearing in the Washington Post under date of April 29, and in the other to include a telegram from the Governor of Massachusetts and two other letters having to do with the feed shortage in that area.

Mr. CRAWFORD asked and was given permission to extend his remarks in the RECORD in two instances and include statements from the official publication of the National Small Businessmen's Association.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD and include an editorial by Dave Kirk, editorial writer for the Spokane Chronicle.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD in three instances, in one to include an editorial, and in two to include articles by Samuel Crowther.

Mr. ROCKWELL asked and was given permission to extend his remarks in the RECORD and include an article by Jim Childress.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include excerpts.

Mr. ROE of Maryland asked and was given permission to extend his remarks in the RECORD and include a telegram from Hon. Alfred N. Phillips, Jr., former Member of Congress, Fourth Congressional District, Connecticut.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. DE LACY asked and was given permission to extend his remarks in the RECORD and include a letter from Captain Morrison.

GI BILL OF RIGHTS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include as part of my remarks a resolution passed by the Board of Supervisors of Washtenaw County, Mich.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, I am sure that the so-called GI bill of rights,

recently placed upon the statute books, has been as disappointing to many of us who participated in its enactment as it has to many veterans who have sought its benefits.

Be it remembered that this law had the support of all veterans' organizations and was a sincere and conscientious effort to assist the veteran over the difficult path of adjusting him to civilian life. Trial and error demonstrate that there should be some amendments to the law. Veterans' organizations are urging such amendments, and I call the attention of the House to this matter in the hope that the Committee on Veterans' Affairs will immediately give consideration to the whole matter.

As an expression of the people of the country, let me call your attention to resolutions adopted by the board of supervisors of Washtenaw County, Mich. The great University of Michigan at Ann Arbor, with its more than 6,000 veterans in attendance, is the center of Washtenaw County. The resolutions read as follows:

Be it resolved—

Whereas it appears under the GI bill of rights, certain servicemen by reason of occupation, training, or choice, receive greater benefits than others; and

Whereas it appears that for educational purposes, some servicemen may receive benefits and allotments as high as \$6,000 without repayment. While no such provisions are made for servicemen desiring to continue or commence other activities without repayment. (For example: two returned veterans, who shared the same fox hole—one desires the educational program, and may receive benefits up to \$1,500 per year, without repayment; the other one desires farming, and receives no benefits, without repayment); and

Whereas this is an agricultural county, where a great number of returned veterans desire to carry on their various projects: Therefore be it

Resolved, That this board of supervisors, Washtenaw County, Mich., go on record as favoring equal benefits, in outright grants or allotments, without interest or repayment, for said veterans, in the same manner and procedure as are granted other veterans for educational programs; and further

That a copy of this resolution be forwarded to our Congressman and Senators in Washington; to the State Association of Supervisors; and to all boards of supervisors in the State of Michigan.

Mr. Speaker, this board speaks with authority from experience and is not theorizing.

HIGHWAY SAFETY

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 586.

The SPEAKER. Is there objection to the request of the gentleman from Utah? There was no objection.

The Clerk read the resolution, as follows:

Whereas the President of the United States, deeply concerned by the alarming increase in traffic accidents since the end of gasoline rationing, has taken positive action to devise ways and means of making our streets and highways safer; and

Whereas to this end the President has called into conference on May 8, 9, and 10 the representatives of States, counties, and municipalities having legal responsibilities in matters of highway safety, together with

representatives of national organizations which are concerned with highway safety; and

Whereas established standards and techniques for traffic accident prevention have proved effective when intelligently applied by public officials in States and communities where strong public support exists for these activities; and

Whereas the President's highway safety conference will be dedicated to a review of these standards and techniques, and to the development of Nation-wide support for their prompt and uniform utilization: Therefore be it

Resolved, That each member of this body be encouraged to take all proper steps to bring before the American people their personal responsibilities for exercising utmost care in the avoidance of traffic accidents and supporting all sound and necessary highway safety programs.

The resolution was agreed to.

A motion to reconsider was laid on the table.

OPTOMETRY CORPS IN THE MEDICAL DEPARTMENT OF THE UNITED STATES ARMY

Mr. SHORT. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3755) to establish an Optometry Corps in the Medical Department of the United States Army, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 19, strike out "an accredited" and insert "a recognized."

Page 2, line 20, strike out "college," and insert "college."

Page 2, line 20, strike out all after "the" down to and including "Association" in line 22, and insert "Surgeon General."

Page 3, line 3, after "therewith" insert "by the Surgeon General."

Page 3, line 3, after "therewith," strike out all down to and including line 6.

Page 4, line 3, strike out "(who shall be an ophthalmologist)."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. McCORMACK. Reserving the right to object, Mr. Speaker, I am aware of what the amendments accomplish, but will the gentleman make a brief statement for the record as to just what the Senate amendments will bring about?

Mr. SHORT. I shall be very happy to do that.

The amendments simply place in the hands of the Surgeon General of the United States Army, instead of the American Optometric Association, the authority to decide who shall be commissioned in the service. There are only 50 or 60 persons this would affect.

Mr. MARTIN of Massachusetts. This bill was passed unanimously?

Mr. SHORT. It was reported unanimously by the House Committee on Military Affairs and passed the House unanimously. It was passed by the Senate yesterday unanimously. I talked to Senator BARKLEY and Senator HALE and the rest of those interested in this matter, and they want these amendments.

Mr. MILLER of Nebraska. If the gentleman will yield, can he tell me whether this will speed up the discharge of doctors from the Army? At the present time

there are more doctors in the Army than there were when the war was at its height. There is 1 physician to every 130 enlisted men, 7.5 per thousand, while during the war there were 5.5 physicians to every thousand enlisted men. Can the gentleman say whether anything can be done to see that some of the physicians now in the Army can come home?

Mr. SHORT. May I say to my friend from Nebraska, in whose district I have been, and whom I love very much, that I believe that on the whole the Army has done a magnificent job of discharging these people; in fact, we perhaps discharged them too fast too soon.

Mr. MILLER of Nebraska. May I point out that there is 1 physician in the Army to every 130 enlisted men, or 7.5 per thousand. There are more physicians in the Army now than when the war was going full blast.

Mr. SHORT. That is true, but I do not want to get into any argument about it because that is irrelevant to this matter.

Mr. MAY. If the gentleman will yield, may I try to satisfy the mind of the gentleman from Nebraska on the question of the number of doctors in the armed forces at this time by saying that there are many thousand fewer physicians in the Army now than we did have, and they are being discharged as rapidly as possible under the point system and under the recommendations of the State procurement agencies.

Mr. MILLER of Nebraska. There are more doctors in the Army now in proportion than there were during the war.

Mr. MAY. On the basis of proportion, that is right.

Mr. MILLER of Nebraska. I am talking about the number of doctors in the Army proportionately.

Mr. SHORT. That is right.

Mr. MILLER of Nebraska. I hope the Committee on Military Affairs will recognize that.

Mr. MAY. There are more in proportion to the number of men in the Army now.

Mr. ANDREWS of New York. Mr. Speaker, if the gentleman will yield, I think it would do every Member of the House a great deal of good at this time to spend a day in a recognized Army hospital among the American wounded and see what they think of the discharge of good physicians and surgeons back to civilian life.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the RECORD.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include an editorial.

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. LANHAM] is recognized for 20 minutes.

TRIBUTE TO HON. PAUL BROWN, OF
GEORGIA

Mr. LANHAM. Mr. Speaker, we who serve in these halls are well aware of the fact that the manifold duties of a Member of Congress involve very constant and very arduous work. Such service, despite its extreme importance, has often been called a thankless task. Here a faithful, able, conscientious, industrious public servant, of a type more interested in constructive accomplishment in accordance with American ideals than in sensational newspaper headlines, often receives more of criticism than of commendation. But the hope of our country must necessarily depend upon this kind of Representatives of the people, devoted to the fundamental principles of our Government. The interest of such a Member is in the common welfare, not in mere public acclaim. Helpful criticism that enables him the better to perform his duties he invites and gladly receives, but sometimes he is subjected to inaccurate, undeserved, misleading, and untruthful censure which unfortunately finds its way into the columns of the public press.

May I preface what I have to say with the statement that I have no purpose to criticize those columnists whose unbiased reports of the news we all read with pleasure, but I certainly have no praise for those who seek to advise the American people that any opinion at variance with their own is necessarily wrong. It seems most lamentable that some of these self-opinionated columnists who frequently endeavor to discredit the Congress could not have been present at the Constitutional Convention to advise Washington and Franklin and Madison and Hamilton and other celebrities in attendance just what kind of government they should advocate, for those early American patriots in their prescribed system of checks and balances were very firm in their conviction of the paramount importance of the Congress. And it might be well in these later days to bear in mind also that dictatorial and totalitarian regimes never rise to power until they attain either the impotence or the abolishment of the legislative branch of government.

One of our Members whom we all, regardless of party, admire and respect, has recently been the subject of such an unjustified columnist attack. I refer to our colleague, PAUL BROWN of Georgia. I doubt if anyone in this body is more highly esteemed and affectionately regarded for his sterling worth and outstanding ability and faithful performance of duty than our friend, PAUL BROWN. Who among us is less deserving of political censure than he? In the approximately 13 years of his service he has never dodged a vote and has never missed a roll call or a meeting of his committee.

And yet, one of the columnists, Drew Pearson, assuming to report the proceedings of an executive meeting of a conference committee which he himself, of course, did not attend, and which he insinuatingly stated was "held in the usual secrecy," took occasion, for what purpose you may judge for yourselves, to hurl

his utterly unwarranted abuse upon our colleague, PAUL BROWN. He even left the very strong implication that PAUL BROWN is an enemy of the veterans of the late war, despite the fact that the gentleman from Texas [Mr. PATMAN] whose housing bill was the subject matter for the meeting of the conference committee, stated in the hearings on that measure, recorded at page 1411 of the printed proceedings:

Mr. BROWN lost everything he had in this war and, of course, we sympathize with him very much. I do not think he has missed a roll call since he has been a Member of Congress. He is always active and alert to help veterans.

The gentleman from Texas [Mr. PATMAN] was referring to the fact that PAUL BROWN's only son made the supreme sacrifice in World War II in order that you and I and all the people, including any critical columnists, might be able to continue to live under and enjoy our American system of government, of which the Congress is so vital a part and of which this hero's father is an eminent, honored, and distinguished Member. I do not understand the kind of mind or heart which could lead anyone under such circumstances to intimate in public print that PAUL BROWN is a foe of the veterans. And in stating my own judgment, I feel very confident that I state the judgment of all who serve in this House of Representatives of the Congress that PAUL BROWN's district, his State, and his Nation have abundant cause to be proud of his record of service, not only to the veterans, but to all our American people in every walk of life.

The burden of Mr. Pearson's complaint with reference to the gentleman from Georgia [Mr. BROWN] as it appears in the Drew Pearson article on Wednesday, April 24, is to the effect that the gentleman from Georgia [Mr. BROWN] did not agree to the inclusion of subsidies in the conference report on the Patman housing bill. The bill as it had passed the Senate contained two main items that were not in the bill as it passed the House. One was the \$600,000,000 provision for subsidies and the other a guaranty against loss on 200,000 prefabricated houses.

The conference committee on the Patman housing bill met for the first time on the morning of April 18, the day the House recessed. Early that day the gentleman from Georgia [Mr. BROWN] announced that, insofar as subsidies were concerned, he did not feel that he could vote to report that provision favorably in view of the fact that he believed such action would result in retarding the production of building material. The gentleman from Georgia [Mr. BROWN] was absolutely sincere in this position and it was entirely in accord with the fight he had made in the House to this effect. The gentleman from Georgia [Mr. BROWN] predicated his opposition to subsidies on the announced purpose of those who would have administrative control of them, which was that such subsidies, or so-called premium payments, were to be paid only for production by any person

or firm or company or organization above and beyond its normal output, and he called attention to the fact that under existing conditions much of established business could not even reach its normal output and thus become eligible for such payments, but that any new business venture with little or no previous output could likely avail itself of such premiums. He realized also that, though these subsidy payments would not go to the veterans, it would be in considerable degree the responsibility of the veterans to repay them to the Federal Government in taxes.

All that Mr. BROWN asked, in spite of his well-known objections to the subsidies, was that the House be allowed to pass on this question again, which is the very usual procedure in conference reports with reference to matters not in agreement, and certainly his request had additional force in this instance inasmuch as on a teller count the House of Representatives had turned down the subsidies by a vote of almost 2 to 1. How, then, could he consistently have done otherwise than to urge that this question be brought back to the House when he was representing the previously expressed will of the House? That is all that Mr. BROWN did, and certainly no Member of this body would criticize him for such a course. In all fairness to himself and to the House his action is to be commended.

As Mr. BROWN had stated in the debate in the House, when the Patman bill was first considered in the committee it contained a type of subsidy to help the builders, but only one or two of the committee voted for this provision. It was eliminated before the bill was brought to the House for action. We are told also that at that time Mr. Wyatt did not express himself in favor of subsidies, but that later Mr. Wyatt and his advisers suggested a plan for a type of subsidies called premium payments and this was offered by way of amendment on the floor of the House, but was defeated in view of the arguments against it.

That Mr. BROWN has very great interest in the veterans is further evidenced by his energetic support of an amendment placed in the bill by the House, and tentatively agreed to in the Committee, providing \$1,000,000,000 under title VI of the Federal Housing Act and another billion dollars in reserve. Under this provision veterans may have insured loans from the FHA up to 90 percent of the funds necessary to buy the material to build houses.

The great majority of the veterans do not have sufficient money for home building. The gentleman from Georgia [Mr. BROWN] urged the importance of this amendment to the veterans in view of the further fact that in practically all communities with a population of less than 10,000 banks and lending institutions seem loath to lend the money under the GI bill of rights. The Patman bill as it passed the House gave priority to veterans in the allocation of scarce materials, and it gave the Expediter extensive powers to help them. Therefore, the increase in funds for the

FHA assured them an opportunity to get the money and obtain the material.

It should be remembered that after some debate in the House it seemed doubtful if any bill of this character could be passed, but the gentleman from Georgia [Mr. BROWN] fought valiantly for the committee bill. Even the chairman of the committee and also the author of the bill, the gentleman from Texas [Mr. PATMAN], wanted certain amendments. The gentleman from Mississippi [Mr. RANKIN] even offered a motion to strike out the enacting clause. At the request of the floor leader, the gentleman from Massachusetts [Mr. McCORMACK], the gentleman from Georgia [Mr. BROWN] replied to this attempt to nullify the measure, and his arguments prevailed and there were but a few more than 30 votes for the motion on a teller count. Upon similar request, the gentleman from Georgia [Mr. BROWN] spoke in opposition to a substitute bill which was defeated. Members on each side of the aisle will readily agree that the gentleman from Georgia [Mr. BROWN] made an honest, conscientious, and fearless fight for the bill, and he was congratulated by leaders of all factions for his diligent service in behalf of the veterans.

Not only did the floor leader, the gentleman from Massachusetts [Mr. McCORMACK], praise the gentleman from Georgia [Mr. BROWN] for his outstanding labors for the veterans, as recorded on page 1961 of the CONGRESSIONAL RECORD of March 5, but at a later hearing of the Committee on Banking and Currency with reference to another measure, the gentleman from Texas [Mr. PATMAN], the author of the housing bill, again took occasion to compliment the gentleman from Georgia [Mr. BROWN] on his work for the housing measure and had this to say of his service in that regard:

Mr. BROWN worked as hard on that bill as any man here and was as helpful as any man in the House in getting it through. He carried the burden sometimes when we could not carry it. That bill really means something.

This statement is found on page 1412, volume II, of the hearings on the extension of the Price Control Act.

Is it not strange, therefore, that in attacking Mr. BROWN and other conferees of similar views, Mr. Pearson, blindly overlooking the high praise Mr. BROWN had received for his service to the veterans, wrote in his column of censure the following statement with reference to these colleagues of ours:

Their colleagues are betting, however, that after hearing from their war-vet constituents during the Easter recess, they won't come back happy.

Certainly any message Mr. BROWN may have received from his veteran constituents should have been one of unstinted praise for his labors in their behalf. And it remains for time to demonstrate even more forcefully the worth of that work which he so conscientiously performed.

In speaking of this beloved colleague, I cannot refrain from citing a few of the many instances of his service to America or from quoting a few attestations of his

colleagues of the excellent record he has made. Mr. Ramspeck, of Georgia, who until his recent retirement was the majority whip of the House, once said of Mr. BROWN:

He, better than anyone in the House, has the ability to talk with other Members personally and influence their action on legislation. He has often assisted me when we had a tight vote coming up. I would rather have his assistance in such a situation than that of any other Member.

That is high praise indeed from one eminently qualified to appraise congressional worth and usefulness.

I remember well that for a long period Mr. BROWN has been the leader each 2 years for the extension of the Commodity Credit Corporation, an agency designed, perhaps more than all others combined, to stabilize prices for agricultural products.

Mr. BROWN has been a most enthusiastic supporter of the Federal Deposit Insurance Corporation, and in his own State, as early as 1925 and 1926, before the law was passed, he was speaking to urge the wisdom of legislation of this character.

Two years ago he led the fight to help depositors and the little banks in his section of the country and the agricultural sections of the West in the bill relating to the absorption of exchange and collection charges. That bill passed the House by a vote of nearly three to one.

When the Bretton Woods agreement was being considered by the Banking and Currency Committee of the House, it was generally recognized that Mr. BROWN was the most potent factor in putting it through.

His effective work with reference to the Price Control Act is well known to all who serve in this Chamber. One of the outstanding members of his committee made this statement concerning the service of Mr. BROWN:

He has been of great assistance in many important bills considered in the House. PAUL BROWN has rendered valuable work for the Government and this administration through his position as ranking Democratic Member on the Banking and Currency Committee. During the hardest part of the Bretton Woods fight when it looked as though we were defeated 14 to 13, PAUL BROWN managed to carry the ball and got a favorable report out without any damaging concessions with only 2 votes in the committee against it.

His efforts in helping bring Members along on the difficult problem of reenacting the price-control bill a year ago, and helping in getting a satisfactory authorization for the Export-Import Bank proved of tremendous value in the passage of the administration program.

I have mentioned but a few of the many instances of PAUL BROWN's distinguished congressional career, but they at least serve to indicate his abundant efforts to be helpful to all classes of people who need and deserve legislative assistance. He is held by us all in the highest esteem, and in view of the recent unjustified criticism spread through the country by a grossly misleading column, I could not refrain from voicing my tribute to this fine American gentleman and statesman.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I did not see the item to which the gentleman referred in his remarks, but I have always felt that one of the greatest influences enabling democratic institutions of Government to function was respect for each other's views even where disagreement exists among persons in the exercise of their judgment. To me this is a very deep influence and one I try to follow as far as I humanly can. That is basic. If we do not have respect for one another's views, bitterness and hatred follow and we will have all of the debasing consequences that flow from that state of mind which carries bitterness and hatred. In other words, tolerance, understanding, and respect for each other's views must exist.

I have served with the gentleman from Georgia for 13 years. I concur in everything that the distinguished gentleman from Texas has said. I know of no Member who is more sincere, who is more hard working, who is more devoted to his duties. So far as the particular question of premium payments is concerned, I respect his views and I respect his motives. As a Member of the House and occupying the position of majority leader, and expecting to occupy that same position for the next 2 years, I have received nothing but complete cooperation from the gentleman from Georgia [Mr. BROWN].

In reference to the bill in question and the matters therein contained on which we were not in disagreement, I asked him to take the floor in opposition to certain amendments. In connection with bills that have come out of this committee, on which there is a fight, where amendments have been offered by Members which I felt should be opposed, I have gone to the gentleman from Georgia [Mr. BROWN] and without hesitation he has taken the floor and made his contribution, always very effectively.

I am sure Mr. Pearson upon reconsideration will recognize that in this case he has unconsciously and unintentionally made a very serious error and I hope he will rectify it because if there is one man that I have met in my journey through life who has impressed me with nobility of motive, with fineness of character, with sincerity of effort, it is our distinguished friend the gentleman from Georgia [Mr. BROWN]. I am sure that Mr. Pearson would not want to intentionally harm anyone. I trust he will read the remarks of the gentleman from Texas and appreciate the high regard that is entertained for the gentleman from Georgia [Mr. BROWN] by his colleagues in the House. Even though Mr. Pearson may be in disagreement with the gentleman from Georgia [Mr. BROWN] on this particular question, I am sure he will recognize that the gentleman from Georgia is entitled to respect even though Mr. Pearson may disagree with him. After all, it is the exercise of his judgment and conscience and, as I stated, I hope Mr. Pearson will rectify, as any man of character would do, the harm that he has unintentionally

inflicted upon the gentleman from Georgia.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that the time of the gentleman from Texas be extended for an additional 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Mr. Speaker, I should like the privilege of saying that I, too, concur in your very timely and appropriate remarks with respect to the course of conduct of our valued colleague from Georgia, PAUL BROWN, in the conference on the disagreeing votes between the two Houses on the so-called veterans' housing bill. The columnist, Drew Pearson, has done the gentleman from Georgia [Mr. BROWN] a very grave injustice. His criticism is without any foundation and without any support of any kind. Instead of being censured, the gentleman from Georgia [Mr. BROWN] is entitled to the commendation of the House for standing by the position of the House respecting subsidies and in asking that these views be given consideration in conference, by at least giving the House the opportunity of again voting on subsidies.

If there is one Member of the House who is more devoted than another to veterans and to all worthy measures in behalf of the veterans of all wars, and zealous for their welfare, that Member is the gentleman from Georgia, PAUL BROWN, who lost his only son, who lost his all, as you have so well said, in World War II.

Our faithful colleague, the gentleman from Georgia, is recognized for his efficient work as a member of the Committee on Banking and Currency. The House has high regard for his views and conclusion regarding all of the important legislation on which the committee submits reports; in fact, his presentation of important bills is always anxiously awaited. The House has come to rely upon his judgment and his wisdom. It is not too much to say that while he opposed subsidies and while the House followed his leadership in such opposition in a vote of two to one, no Member of the House was more influential in securing the final passage of the bill for veterans' housing than the gentleman from Georgia [Mr. BROWN]. It was evident throughout the debates that the gentleman from Georgia [Mr. BROWN], was most anxious to provide sound legislation that would result in housing for veterans. With the vast majority of the House, he believed that the benefits of subsidies would not accrue to the veterans but to others. The ceiling on prices of new housing was to be safeguarded. The funds provided by the Government should be made available to veterans rather than disbursed without a definite yardstick to those who might claim that they were instrumental in

providing housing. The House backed his judgment. Mr. BROWN insisted that all moneys appropriated for veterans should be for the direct benefit of the veterans and not for distribution and disbursement for the benefit of materials men, builders or contractors, under the guise of helping the veterans. It was clear that Mr. BROWN was interested not only in providing housing for veterans but in providing such housing on a sound basis so that veterans could pay for the housing. In a word, the gentleman from Georgia wanted the veteran to get the benefit of funds made available for veterans' housing.

I am, therefore, glad to join in the very deserved tribute so well expressed by you, to the worth, the work and the effective and constructive services of the gentleman from Georgia [Mr. BROWN], not only as a member of the Committee on Banking and Currency but as one of the most capable Members of the House.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I have listened with great attention to the remarks of the gentleman from Texas as he has referred to the attack that has been made against the gentleman from Georgia [Mr. BROWN]. For the past several years the gentleman from Georgia [Mr. BROWN] has lived in the same apartment building where I reside. We have journeyed to and from the Capitol each day. We have discussed many matters. I have learned to know him well. While he is a Democrat, and I pride myself on being a member of the Republican Party, and we sometimes differ—in fact, we usually differ on political affairs and matters—I have learned to respect PAUL BROWN's honor and integrity. I was with him at the time that word came of his son's death. I know of the sacrifice that he has made for his country, and anyone who attacks PAUL BROWN's patriotism or his interest in the welfare of the veterans injures himself rather than the gentleman from Georgia, Mr. PAUL BROWN.

I want to congratulate the gentleman from Texas on taking the floor to defend the honor and the integrity of one of his colleagues.

Mr. MANASCO. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Alabama.

Mr. MANASCO. The distinguished chairman of the Committee on Public Buildings and Grounds, who is now addressing the House, will recall that when we were in executive session soon after the House voted on the so-called veterans' housing bill, that we were considering a bill to authorize an appropriation to move many of the temporary houses to be used by veterans. At that time Mr. Wilson Wyatt, Housing Expediter, was before our committee, and this question was asked him about the so-called subsidies in the Patman bill, whether or not any testimony was given before the Committee on Banking and Currency when that bill was being considered by that committee to show the House the necessity of subsidies for these

veterans' houses, and he said, "No." The gentleman will recall that statement by Mr. Wyatt. Therefore, regarding any attack on Mr. BROWN's position as to the votes on it, the amendment was not based on evidence before the committee and was not available to the House.

Mr. PETERSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Georgia.

Mr. PETERSON of Georgia. Mr. Speaker, I wish on my own behalf, and on behalf of the entire Georgia delegation, to express to the distinguished gentleman from Texas our appreciation of the splendid remarks which he has just made regarding our colleague, PAUL BROWN. The article to which he refers clearly indicates that the writer of this article does not know PAUL BROWN and is not familiar with his sterling qualities and outstanding patriotism.

His loyalty to his constituents and to his country cannot be questioned. His record as a Member of this House in several respects surpasses that of any other Member with whom it has been my privilege to serve. His constant attendance at the sessions of this House and at the committee of which he is a member, the able and aggressive manner in which he constantly strives to secure legislation for the benefit of his constituents and of the country as a whole, his studious devotion to his duties, his sincerity of purpose and integrity of character, together with his high sense of patriotism, certainly make PAUL BROWN one of the best legislators in Congress, as well as one who is devoted to the best interest of his people and his country.

He has given far more than many of us to his country, in giving his only son, who served as an officer on a submarine in the Pacific, and whose life was offered on the altar of human freedom.

It has been my pleasure during the 12 years I have been in Congress to be closely associated with PAUL BROWN. I count him among my closest friends and I depend upon him for counsel and advice. Likewise, the entire Georgia delegation, among whom the most cordial relations exist, seek and listen to his advice and counsel on legislative matters. His loyalty to his friends, his constituents, and to his country, together with his splendid ability and high patriotism, make him an outstanding Member of this House. The entire membership of the Georgia delegation realize and appreciate the worth of PAUL BROWN as a friend, as a legislator, and as a public servant.

I wish to again assure the gentleman from Texas that the members of the Georgia delegation appreciate what he has said this morning, and likewise we are deeply grateful for the fine and timely words of tribute that have been so well expressed by other Members on this occasion.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Texas be permitted to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Kentucky.

Mr. SPENCE. While I have often disagreed with some of the views of the gentleman from Georgia [Mr. Brown], who is the senior majority member of the Committee on Banking and Currency, I think that all who have observed him know of his fidelity to duty and his constant and unremitting interest in the discharge of his duties. I do not believe he has ever missed a call of the roll in this House in all the years he has been here. He has been equally faithful in the discharge of his duties in the committee. He has the respect and confidence of the members of that committee. I hope we can always disagree with our colleagues and still retain respect and confidence for them. Certainly the gentleman from Georgia [Mr. Brown], who lost his only son in the war, has by his sacrifice demonstrated that he must have a very deep and abiding interest in the veterans. I know how he has suffered by reason of this loss. I know that any statement as to his indifference to the welfare of the veteran must have deeply wounded him. I hope we can disagree and continue to disagree, but still have confidence, respect, and friendship for our fellow men and our colleagues.

Mr. LANHAM. That statement is most appropriate, coming as it does from the chairman of the Committee on Banking and Currency, upon which the gentleman from Georgia [Mr. Brown] has served so diligently, ably, and faithfully.

Mr. ROBERTSON of Virginia. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Virginia.

Mr. ROBERTSON of Virginia. It has been my privilege to serve for nearly 14 years with our distinguished colleague and friend from Georgia [Mr. Brown]. He is one of the finest men in the House, and one of its most useful Members. I am very happy that the distinguished gentleman from Texas has taken occasion today to call attention to his record and to give other Members of the House an opportunity to testify to the facts.

AMERICAN AVIATORS AND GENERAL MIHAILOVICH

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, on March 29 I inserted into the Appendix of the CONGRESSIONAL RECORD a letter published in the Washington Post entitled "In Defense of Mihailovich." This I prefaced with a few words urging upon this Government the suggestion that everything possible be done to insure a just and fair trial for this man to whose

loyalty and courage some 600 American aviators owe their lives.

Today I would call to the attention of this House the treatment meted out to a special delegation of these airmen by their Commander in Chief and by our Department of State. These fliers left their homes, their jobs, and their families at considerable expense and inconvenience in order to present their point of view directly to the President and to the Acting Secretary of State. Their story is very simple: They owe their lives to General Mihailovich. During their stay with his troops not one of them nor any of their 600 companions similarly rescued had seen or heard reliably reported the slightest evidence of any collaboration between General Mahailovich and our common enemy—Germany.

A specially chartered airliner—the Mission of Mihailovich—brought them to Washington Sunday afternoon. They are leaving this afternoon greatly disillusioned and deeply disappointed, having been barred from even the briefest of audiences with their Commander in Chief, the President of the United States.

First interviewed by Mr. Barbour, chairman of Southern European Affairs, they finally were given opportunity to discuss the matter with the Acting Secretary of State, Mr. Acheson.

In telling me their experience they stressed the point that they understand Tojo is to have an inter-Allied trial. That is what they are asking for General Mihailovich. They do not ask for his release. They ask only for justice.

Mr. Speaker, I must express my deep regret at the lack of judgment of what is truly in the public interest which caused this refusal to permit these young men to present to their Commander in Chief resolutions urging him to do all possible to insure justice to the man to whom 600 living Americans owe the greatest debt one man can possibly owe to another—their lives.

I ask unanimous consent to include in these remarks a copy of the resolution of these loyal American aviators.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

(The matter referred to follows:)

RESOLUTION ADOPTED BY THE NATIONAL COMMITTEE OF AMERICAN AIRMEN TO AID GENERAL MIHAILOVICH AND THE SERBIAN PEOPLE, WASHINGTON, MAY 1, 1946

Whereas we, official delegates of the National Committee of American Airmen To Aid General Mihailovich and the Serbian People, have come to our Nation's Capital from all parts of the United States at our own expense, in order to present to the President of the United States and to the Acting Secretary of State our very considerable evidence upon behalf of the Allied general, Draja Mihailovich, of Yugoslavia, who has saved the lives of our delegation and the more than 600 additional Allied airmen whom we represent.

Whereas we have sought in vain to present at "top level" (that is, to the President and the Acting Secretary of State) positive and documented disproof of the charges made by Marshal Tito, of Yugoslavia, that Mihailovich is a "traitor" or "collaborationist";

Whereas we have been denied the right formally to petition, at first hand, our Commander in Chief personally to intervene to

insure that we be subpoenaed as material witnesses, and that testimony of Allied personnel attached to Mihailovich's headquarters in wartime Yugoslavia be submitted to the trial court;

Whereas, in addition, we have been denied the right personally to ask of our President and Commander in Chief and the acting chief executive of our Department of State that all documents from the files of the State and War Departments be admitted in the trial of General Mihailovich; Therefore be it

Resolved, That we, representing the National Committee of American Airmen To Aid General Mihailovich and the Serbian People, despite the failure of our President personally to grant us an audience to hear our case at the end of this vital mission—an omission which we ascribe to the Presidential Secretariat—and despite Mr. Acheson's flat refusal to receive us personally to set forth a case which the State Department already has championed in a weak and watery form, and despite the timorous and apparently insincere attitude of the United States Government toward the Tito regime in Yugoslavia, we shall unrelentingly continue the fight for a fair trial and absolute justice for General Draja Mihailovich. By this we mean that we shall, in our home cities and home States and through our Congressmen and our United States Senators, continue unflinchingly to insist upon a fair, interallied trial for Mihailovich, without which we American veterans consider that international justice and morality have ceased to exist.

National Committee of American Airmen To Aid General Mihailovich and the Serbian People; First Lt. William L. Rogers, Manteno, Ill.; Lt. Richard L. Felman, New York, N. Y.; Staff Sgt. Hal D. Souther, Milwaukee, Wis.; Lt. Oscar Menaker, Forest Hills, N. Y.; Tech. Sgt. Gerald E. Wagner, Roanoke, Va.; Lt. Donald F. Rice, Brooklyn, N. Y.; Lt. Charles L. Davis, Washington, D. C.; Lt. Charles F. Gracz, Chicago, Ill.; Staff Sgt. John F. O'Grady, Jr., Clifton, N. J.; Lt. George Salapa, Jr., Cleveland, Ohio; Tech. Sgt. Gus T. Brown, Jr., Luling, Tex.; Staff Sgt. Mike McKool, Dallas, Tex.; Staff Sgt. David J. O'Connell, Chicago, Ill.; Staff Sgt. Neal S. Janosky, Milwaukee, Wis.; First Lt. John E. Scroggs, Kansas City, Mo.; First Lt. John P. Devlin, Pittsburgh, Pa.; First Lt. Robert W. Eckman, Chicago, Ill.; Staff Sgt. David E. La Bissoniere, Milwaukee, Wis.; Staff Sgt. Denzil Radabaugh, Masetown, W. Va.

AMENDING DISTRICT OF COLUMBIA BLACK-OUT ACT

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 5719, an act to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, as amended, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 7, strike out all after "15," down to and including "thereafter" in line 9 and insert "Up to and including December 31, 1947."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this merely provides a definite date for the expiration of the act.

Mr. McMILLAN of South Carolina. That is correct.

Mr. MARTIN of Massachusetts. And the committee is in favor of it?

Mr. McMILLAN of South Carolina. Yes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LeCOMPTE (at the request of Mr. GWYNNE of Iowa), for 1 week, on account of sickness in the family.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2. An act to provide Federal aid for the development of public airports.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 333. Joint resolution to provide for the reappointment of Dr. Vannevar Bush as citizen regent of the Board of Regents of the Smithsonian Institution.

ADJOURNMENT

Mr. RYTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 2 minutes p. m.) the House adjourned until tomorrow, Thursday, May 2, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Subcommittee on Commerce and Trade of the Committee on Interstate and Foreign Commerce, at 10 o'clock a. m., May 6, 1946.

Business to be considered: Public hearing on H. R. 4871 and S. 1367, providing for three additional Assistant Secretaries of Agriculture. Secretary Wallace will be the first witness.

COMMITTEE ON RIVERS AND HARBORS

Schedule for the closing days of hearings on the omnibus river and harbor authorization bill is as follows:

(Thursday, May 2, 1946)

Tombigbee-Tennessee Rivers.

(Friday, May 3, 1946)

Cumberland River, Ky. and Tenn. Apalachicola, Chattahoochee, and Flint Rivers, Ga. and Fla. Schuylkill River, Pa., deepening of channel.

Illinois River, small-boat harbor at Peoria, Ill.

San Diego Harbor and Mission Bay, Calif.

Columbia River, from Vancouver, Wash., to The Dalles, Oreg.

(Monday and Tuesday, May 6 and 7, 1946)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday, May 8 and 9, 1946)

Arkansas River, Ark. and Okla.

COMMITTEE ON INVALID PENSIONS

There will be a public hearing before the Committee on Invalid Pensions at 10:30 a. m. on Tuesday, May 7, 1946, in the committee hearing room, 247 Old House Office Building, on H. R. 3908, entitled: "A bill to provide increased pensions to members of the Regular Army, Navy, Marine Corps, and Coast Guard who become disabled by reason of their service therein during other than a period of war," which was introduced by Representative LESINSKI, of Michigan.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1238. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$1,000,000 for the Federal Security Agency (H. Doc. No. 542); to the Committee on Appropriations and ordered to be printed.

1239. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1946 in the amount of \$600,000,000 for the United Nations Relief and Rehabilitation Administration (H. Doc. No. 543); to the Committee on Appropriations and ordered to be printed.

1240. A letter from the Chairman, Federal Trade Commission, transmitting the report of the Federal Trade Commission, entitled "International Phosphate Cartels"; to the Committee on Interstate and Foreign Commerce.

1241. A letter from the Acting Secretary of the Interior, transmitting one copy each of legislation passed by the Municipal Council of St. Thomas and St. John and by the Legislative Assembly of the Virgin Islands pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936; to the Committee on Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JACKSON: Committee on Indian Affairs. H. R. 4567. A bill to amend the act entitled "An act conferring jurisdiction upon the United States Court of Claims to hear, examine, adjudicate, and render judgment on any and all claims which the Ute Indians, or any tribe or band thereof, may have against the United States, and for other purposes," approved June 28, 1938; without amendment (Rept. No. 1975). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JACKSON: Committee on Indian Affairs. H. R. 4046. A bill authorizing the issuance of a patent in fee to Richard S. Fisher; without amendment (Rept. No. 1974). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Military Affairs was discharged from the consideration of the bill (H. R. 5631) for the relief of Joseph John Gmurczyk, Jr., and the same was referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROBERTSON of Virginia:

H. R. 6259. A bill to amend the Criminal Code so as to make unlawful certain harmful and disruptive practices in commerce; to the Committee on the Judiciary.

By Mr. MANSFIELD of Montana:

H. R. 6260. A bill to amend the act of July 1, 1944, relating to contract settlement; to the Committee on the Judiciary.

By Mr. NORBLAD:

H. R. 6261. A bill to grant certain veterans the benefits of section 251 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. BARRETT of Wyoming:

H. R. 6262. A bill to transfer the United States Geological Survey of the Department of the Interior to Casper, Wyo.; to the Committee on Mines and Mining.

By Mr. BLAND:

H. R. 6263. A bill to amend the act of June 23, 1943, so as to authorize inclusion of periods of education and training in an Army Transportation Corps civilian marine school as "service in the merchant marine"; to the Committee on the Merchant Marine and Fisheries.

By Mr. BUNKER:

H. R. 6264. A bill to amend the act of July 1, 1944, relating to contract settlement; to the Committee on the Judiciary.

By Mr. HEBERT:

H. R. 6265. A bill to create a Department of Corrections in the District of Columbia; to the Committee on the District of Columbia.

By Mr. KNUTSON:

H. R. 6266. A bill to decrease the debt limit of the United States from \$300,000,000,000 to \$275,000,000,000; to the Committee on Ways and Means.

By Mr. O'HARA:

H. R. 6267. A bill to provide additional compensation for certain commissioned naval air navigators; to the Committee on Naval Affairs.

By Mr. IZAC:

H. R. 6268. A bill to extend the time within which application for the benefits of the Mustering-Out Payment Act of 1944 may be made by veterans discharged from the armed forces before the effective date of such act; to the Committee on Military Affairs.

By Mr. MILLS:

H. R. 6269. A bill to decrease the debt limit of the United States from \$300,000,000,000 to \$275,000,000,000; to the Committee on Ways and Means.

By Mr. RANDOLPH:

H. R. 6270. A bill to provide for the payment of members of the military and naval forces of the United States who enter or re-enter civilian employment of the United States, its Territories or possessions, or of the District of Columbia while in military pay status prior to assignment to active duty; to the Committee on the Civil Service.

H. R. 6271. A bill to further amend the Classification Act of 1923, as amended; to bring about uniformity and coordination in the allocation of field and departmental positions under the grades of the Classification Act of 1923, as amended; and for other purposes; to the Committee on the Civil Service.

By Mr. RANKIN (by request):

H. R. 6272. A bill to provide that a veteran's pension, compensation, or retirement pay shall not be reduced during his hospitalization or domiciliary care; to the Committee on World War Veterans' Legislation.

H. R. 6273. A bill to provide an award for arrested tuberculosis cases of World War II; to the Committee on World War Veterans' Legislation.

By Mr. McGEHEE:

H. R. 6274. A bill for the relief of certain postal employees; to the Committee on Claims.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to amend the Federal laws relative to matching by the Federal Government of amounts expended by States and their political subdivisions on account of old-age assistance; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to issue such orders as will prevent the closing of Fort Devens and the Lovell General Hospital; to the Committee on Military Affairs.

Also, memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the United States with regard to removal from office of the present Governor; to the Committee on the Territories.

Also, memorial of the Chamber of Deputies of Chile, informing that the Day of the Americas will be celebrated at a session of the next regular legislature, which commences on May 21; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FERNANDEZ:

H. R. 6275. A bill for the relief of Leon H. Watson, doing business as Leon Watson & Associates; to the Committee on Claims.

By Mr. JUDD:

H. R. 6276. A bill for the relief of Tsunezo Tanaka and his wife, Michiko Tanaka; to the Committee on Immigration and Naturalization.

By Mr. KEOGH:

H. R. 6277. A bill for the relief of Carl D. Soresi; to the Committee on Claims.

By Mr. COCHRAN:

H. R. 6278. A bill for the relief of Patrick Dennis O'Connell; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred, as follows:

1848. By Mr. LEWIS: Petition of 121 citizens of Toronto, Ohio, and vicinity, protesting Senate bill 1678, to require the registration of firearms; to the Committee on the Judiciary.

1849. By the SPEAKER: Petition of A. C. Hargis, secretary, the Federal Land Bank of Houston, Houston, Tex., urging consideration of their resolution with reference to the suggestion that the lending power of the land bank commissioners be allowed to lapse; to the Committee on Agriculture.

1850. Also, petition of Donald Haahr and others, urging consideration of their resolution with reference to opposition to House amendments that would weaken price-control structure; to the Committee on Banking and Currency.

1851. Also, petition of the Texas Ports Association, urging consideration of their resolution with reference to opposition to the proposed St. Lawrence Waterway project; to the Committee on Rivers and Harbors.

1852. Also, petition of the Board of Supervisors of the City and County of Honolulu, Territory of Hawaii, urging consideration of their resolution with reference to endorsement of the \$50,000,000 appropriation bill for the relief of sufferers from the tidal wave which occurred on April 1, 1946; to the Committee on the Territories.

1853. Also, petition of the executive board of the Texas State Industrial Union Council, CIO, urging consideration of their resolution with reference to effective price control; to the Committee on Banking and Currency.

SENATE

THURSDAY, MAY 2, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Msgr. John K. Cartwright, D. D., rector, St. Matthew's Cathedral, Washington, D. C., offered the following prayer:

O Lord Almighty, Father, Son, and Holy Ghost, we pray Thy blessing on us as we gather today to deliberate for our country's welfare.

Thou hast given us peace after war. Grant us the wisdom and the virtue to deserve peace and so to use the authority which our fellow citizens have given us as to make this world more to accord with Thy will and Thy holy purpose.

We pray that we may be able to please Thee in righteousness and that the darkness of many peoples may soon be light and that peace and freedom may heal their wounds as ours have been so greatly healed. Grant that with us they may seek for abiding peace, not in the accidents of casual circumstances but in Thy providence and blessing, for Thou art the very source of peace. Grant us the peace of Christ in the Kingdom of Christ. In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the

Journal of the proceedings of the calendar day Wednesday, May 1, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 1, 1946, the President had approved and signed the act (S. 1152) to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5719) to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, as amended.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 2483. An act for the relief of the estate of Michael J. McDonough, deceased;

H. R. 3755. An act to establish an Optometry Corps in the Medical Department of the United States Army; and

H. R. 5719. An act to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, as amended.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on May 1, 1946, he presented to the President of the United States the enrolled bill (S. 2) to provide Federal aid for the development of public airports.

LEAVES OF ABSENCE

Mr. STANFILL. Mr. President, I ask unanimous consent to be absent from the Senate for the next 4 days.

The PRESIDENT pro tempore. Without objection, leave is granted.

Mr. MCCLELLAN. Mr. President, in order that I may be able to keep an engagement and attend the bar association meeting in my State, which convenes tomorrow and the next day, I ask unanimous consent to be absent from the Senate on those days.

The PRESIDENT pro tempore. Without objection, leave is granted.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that I may be excused from attendance on the Senate until Tuesday next.

The PRESIDENT pro tempore. Without objection, the leave is granted.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to be absent from the Senate for the next few days.

The PRESIDENT pro tempore. Without objection, leave is granted.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to be excused from the Senate tomorrow and Saturday on official business as a member of the